



CITY OF CRESCENT CITY

MAYOR ISAIAH WRIGHT
COUNCIL MEMBER RAY ALTMAN
COUNCIL MEMBER STEVE SHAMBLIN

MAYOR PRO TEM CANDACE TINKLER
COUNCIL MEMBER JASON GREENOUGH

AGENDA
REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF CRESCENT CITY
FLYNN CENTER BOARD CHAMBERS
981 H STREET
CRESCENT CITY, CA 95531

MONDAY

MAY 4, 2026

6:00 P.M.

PLEASE NOTE: CLOSED SESSION BEGINS AT 5:30 P.M.
OPEN SESSION BEGINS AT 6:00 P.M.

This meeting will be held in person at the location listed above. The City will broadcast the meeting on YouTube, however, if there is a technological issue with YouTube, the meeting will continue in person as scheduled. The public may access and participate in the public meeting by (1) attending the meeting in person and making public comment when called for by the Mayor or (2) by submitting a written comment via publiccomment@crecentcity.org or by filing it with the City Clerk at 377 J Street, Crescent City, California, 95531. All public comments (via email or mail) must be received by the City Clerk prior to 12:00 p.m. the day of the meeting. Please identify the meeting date and agenda item to which your comment pertains in the subject line. Public comments so received will be forwarded to the City Council and posted on the website next to the agenda. **Written public comments will not be read aloud during the meeting.**

Notice regarding Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact the City Clerk's office at (707)464-7483, ext. 12. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA Title II]. For TTYDD use for speech and hearing impaired, please dial 711. A full agenda packet may be reviewed at City Hall, 377 J Street, Crescent City, CA or on our website: www.crescentcity.org

CLOSED SESSION

Call to order
Roll call

- **Conference with Legal Counsel – Potential Litigation (Gov. Code § 54956.9(d)(2)):**
Government Claim of Jennifer Barnes

OPEN SESSION

Call to order
Roll call
Pledge of Allegiance

REPORT OUT OF CLOSED SESSION

CEREMONIAL ITEMS

- **Sutter Coast Hospital Proclamation**

- **Teacher Appreciation Week Proclamation**

REPORTS AND PRESENTATIONS

- **Kamome Festival Presentation**

PUBLIC COMMENT PERIOD

Any member of the audience is invited to address the City Council on any matter that is within the jurisdiction of the City of Crescent City. Comments of public interest or on matters appearing on the agenda are accepted. Note, however, that the Council is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action, which may include placement on a future agenda. All comments shall be directed toward the entire Council. Any comments that are not at the podium are out of order and will not be a part of the public record. After receiving recognition from the Mayor, please state your name and city or county residency for the record. Public comment is limited to three (3) minutes. The public is additionally allotted three minutes each in which to speak on any item on the agenda prior to any action taken by the Council.

CONSENT CALENDAR

The consent calendar contains items deemed to be non-controversial and routine in nature. All items on the consent calendar will be considered as a block and voted upon in one vote unless a member of the City Council “pulls” an item from consent for individual consideration. Public comment will be taken on the consent agenda as a whole, unless an item is pulled. Any pulled item will receive its own public comment opportunity.

1. Warrant Claims List

- *Recommendation: Receive and file the warrant claims list for the period April 4, 2026 through April 17, 2026.*

2. Council Minutes

- *Recommendation: Approve and adopt the April 20, 2026 minutes of the City Council of the City of Crescent City.*

3. Payroll Report

- *Recommendation: Receive and file the biweekly payroll reports for the period ending April 18, 2026 paid April 24, 2026.*

4. Ocean Protection Council (OPC) Grant – Creation of Special Revenue Fund and Budget

- *Recommendation: Approve and adopt Resolution No. 2026-33, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY ESTABLISHING A NEW FUND FOR THE OCEAN PROTECTION COUNCIL GRANT AND CRESCENT CITY COASTAL RESILIENCY PLAN*
- *Approve and adopt Resolution No. 2026-34, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2025-26 BUDGET OF THE CITY OF CRESCENT CITY*

5. Pelican Bay State Prison Firing Range Agreement

- *Recommendation: Approve and authorize the City Manager to sign the Right of Entry Indemnification and License Agreement to Use Firing Range at Pelican Bay State Prison*

PUBLIC HEARING - None

CONTINUING BUSINESS - None

NEW BUSINESS

6. Youth Council Environmental Community Service Project

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Authorize City staff to work with the youth council on the clean-up and landscaping of Tsunami Plaza as their community service project*

7. Adoption of 2025 California Building Standards Codes

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Waive full reading, read by title only and introduce Ordinance No. 865, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING TITLE 15, BUILDINGS AND CONSTRUCTION, OF THE CRESCENT CITY MUNICIPAL CODE TO ADOPT THE 2025 CALIFORNIA BUILDING STANDARDS CODES*

8. The Redwood Downtown Project Transfer

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve and authorize the City Manager to sign the Assignment, Assumption, and Novation Agreement of PLHA/PIP Loan Documents by and between the City of Crescent City, Community System Solutions and Crescent City 3rd Street LP*

9. Fire Chief Recruitment – Job Description, Recruitment Flyer, and Relocation Assistance Updates

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve the updated Fire Chief Job Description and Recruitment Flyer*
- *Authorize the City Manager to offer a relocation assistance benefit of up to \$10,000 for the Fire Chief position, subject to final terms and conditions in the employment agreement*

10. Fire Department Volunteer Stipend Updates

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve and adopt Resolution No. 2026-35, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY APPROVING STIPENDS FOR CRESCENT CITY FIRE AND RESCUE VOLUNTEERS EFFECTIVE JULY 1, 2026*

11. 10-Year Axon Enterprises, Inc. Agreement

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve and authorize the City Manager to sign a 10-year contract with Axon Enterprise, Inc. for body cameras, tasers, in-car units, software and hardware in the total amount of \$1,099,477.60*

CITY COUNCIL ITEMS

- **Reports, Concerns, Referrals, Council travel and training reports** – In accordance with Gov't Code § 54954.2(a), City Council Members may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.
- **Legislative Matters** – Consider miscellaneous legislative matters pertinent to the City of Crescent City. Authorize the Mayor to sign the appropriate letters and/or positions with respect to such matters.
- **City Manager Report and City Council Directives** – Pursuant to Crescent City Municipal Code § 2.08.200, the City Council may instruct the city manager on matters of importance to the administrative services of the City and provide direction with respect to subordinates of the City Manager. (Directives from individual Council Members that are not objected to by any member present shall be considered an order of the City Council.)

ADJOURNMENT

Adjourn to the regular meeting of the City Council of the City of Crescent City on Monday, May 18, 2026 at 6:00 p.m. at the Flynn Center Board Chambers, 981 H Street, Crescent City, CA 95531.

POSTED:

April 30, 2026

/s/ Robin Altman, City Clerk/Administrative Analyst

Vision:

The City of Crescent City will continue to stand the test of time and promote quality of life and community pride for our residents, businesses and visitors through leadership, diversity, and teamwork.

Mission:

The purpose of our city is to promote a high quality of life, leadership and services to the residents, businesses, and visitors we serve. The City is dedicated to providing the most efficient, innovative and economically sound municipal services building on our diverse history, culture and unique natural resources.

Values:

Accountability - Honesty & Integrity - Excellent Customer Service - Effective & Active Communication -Teamwork –
Fiscally Responsible



Proclamation

of the City of Crescent City

WHEREAS, hospitals are essential to the health, safety, and well-being of our community by providing timely access to emergency, acute, and ongoing healthcare services; and

WHEREAS, Hospital Week, observed May 10–16, 2026, and Nurses Week, observed May 6–12, 2026, provide an opportunity to recognize hospitals, nurses, and healthcare professionals for their vital contributions to patient care and community health; and

WHEREAS, Sutter Coast Hospital serves as a cornerstone of healthcare for the City of Crescent City and surrounding region, delivering a broad range of services to residents in a rural and geographically isolated area; and

WHEREAS, over the past several years, Sutter Coast Hospital has achieved meaningful improvements in access to care, quality, patient safety, and operational performance—strengthening its ability to meet the evolving healthcare needs of the community; and

WHEREAS, Sutter Coast Hospital has expanded and enhanced critical services, advanced innovative and sustainable approaches to rural healthcare delivery, and worked to keep care local whenever possible; and

WHEREAS, the hospital has invested in its workforce through leadership development, employee engagement, and well-being initiatives, recognizing that a strong and supported healthcare team is fundamental to excellent patient care; and

WHEREAS, nurses, physicians, advanced practice clinicians, caregivers, and support staff at Sutter Coast Hospital consistently demonstrate compassion, professionalism, and dedication in serving patients and families throughout Crescent City and Del Norte County;

NOW, THEREFORE, BE IT PROCLAIMED that the City Council of the City of Crescent City hereby recognizes May 10–16, 2026, as Hospital Week and May 6–12, 2026, as Nurses Week

Mayor Isaiah Wright



Proclamation

of the City of Crescent City

WHEREAS, what is now Teacher Appreciation Week began as an unofficial National Teacher Day in 1953, due to the advocacy of First Lady Eleanor Roosevelt, as a day to recognize the work of educators; and

WHEREAS, following the efforts of the National Education Association and its affiliates, National Teacher Day became a Congressionally recognized celebration in 1980; and

WHEREAS, since 1984, the National Parent Teacher Association has designated one week in May as Teacher Appreciation Week, a special time to honor those who lend their passion and skills to educating our children, which NEA shortly thereafter voted to move National Teacher Day to the Tuesday of that same week; and

WHEREAS, our teachers serve as role models for students and the community, while encouraging children's interests, growing their belief in themselves, and helping them realize the opportunities that lie ahead; and

WHEREAS, the City Council of the City of Crescent City recognizes that effective teachers have a lasting influence on the lives of their students, families, and community members as they encourage our children to mature and prosper, which in turn, deepens the strength of our community, and they deserve our gratitude and appreciation.

NOW, THEREFORE, BE IT PROCLAIMED by the City Council of the City of Crescent City that the week of May 4-8, 2026 shall be recognized as Teacher Appreciation Week.

Signed this 4th day of May 2026.

Mayor Isaiah Wright

KAMOME
FESTIVAL
PRESENTATION

Accounts Payable

Checks by Date - Summary by Check Number

User: kbates@crescentcity.org
Printed: 4/21/2026 11:58 AM

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Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
ACH	PERS1	PERS Health	04/09/2026	0.00	100,727.66
ACH	PERS2	Public Emp Retirement Sys	04/09/2026	0.00	104,214.00
ACH	EDDTAX	State of California EDD TAX Auto Pay	04/13/2026	0.00	6,469.07
ACH	FITTAX	FIT Payroll Taxes Auto Pay	04/13/2026	0.00	25,268.69
ACH	PERS2	Public Emp Retirement Sys	04/13/2026	0.00	41,058.15
450799	AMAZON	Amazon Capital Services, Inc	04/06/2026	0.00	1,653.01
450800	AUTOZONE	Auto Zone	04/06/2026	0.00	18.39
450801	BIDDLECK	Keith Biddlecom	04/06/2026	0.00	162.00
450802	BLUEST	Blue Star Gas Associates	04/06/2026	0.00	5,018.56
450803	BUTZCHR	Chris Butz	04/06/2026	0.00	58.08
450804	CCDNCH	Cc-Dn Chamber Of Commerce	04/06/2026	0.00	325.00
450805	CITYTR	City Treasurer	04/06/2026	0.00	400.00
450806	DNCOUN	D N Co Unified School Dst	04/06/2026	0.00	1,778.50
450807	DESROCHE	Suzanne DesRochers	04/06/2026	0.00	293.00
450808	EUREKAH	Eureka Humboldt Fire Extinguisher Co Inc	04/06/2026	0.00	510.44
450809	VERIZO2	Frontier California Inc	04/06/2026	0.00	366.88
450810	GASTINCE	Cerina Gastineau	04/06/2026	0.00	575.00
450811	GISCLOUD	GIS Cloud, Inc	04/06/2026	0.00	3,860.00
450812	UB*06376	STEPHANIE HALEY	04/06/2026	0.00	39.30
450813	Home Dep	Home Depot Credit Services	04/06/2026	0.00	8,761.34
450814	TOWN&COI	Jacobson and Miller PC	04/06/2026	0.00	665.00
450815	KINGDON	Donld King	04/06/2026	0.00	55.00
450816	UB*06399	CLIFTON KORSTEN	04/06/2026	0.00	167.34
450817	TERRY	Scott and Terry LaFollett	04/06/2026	0.00	32.25
450818	UB*06400	TIFFANY LEE	04/06/2026	0.00	218.60
450819	UB*06398	ANDREW MEYER - ZLOKOVICH	04/06/2026	0.00	198.63
450820	MEYERSPO	Meyers Police K-9 Training, LLC	04/06/2026	0.00	800.00
450821	MIDCOAST	Mid-Coast Fire Protection, Inc	04/06/2026	0.00	1,000.00
450822	UB*06384	JOSEPH MILES	04/06/2026	0.00	66.29
450823	UB*06264	THOMAS MILLER	04/06/2026	0.00	126.28
450824	MISSIO	Mission Linen Supply	04/06/2026	0.00	72.48
450825	OFFICEDE	Office Depot	04/06/2026	0.00	331.56
450826	OTIS E	Otis Elevator Company Inc	04/06/2026	0.00	439.56
450827	UB*06397	R PASION	04/06/2026	0.00	13.71
450828	PATCHT	Taylor Patch	04/06/2026	0.00	94.14
450829	RICERAN	Randall Rice	04/06/2026	0.00	106.00
450830	ROSSJAN	Matthew Ross	04/06/2026	0.00	1,725.00
450831	ZCAWTR1	St Wtr Resource Cntrl Brd	04/06/2026	0.00	80.00
450832	DNOFFI	Debra Stover	04/06/2026	0.00	9.62
450833	UB*06253	ANDREA TABER	04/06/2026	0.00	230.02
450834	UB*06395	JESSE TAYLOR	04/06/2026	0.00	73.24
450835	TRAPP	Robert Trapp	04/06/2026	0.00	133.10
450836	UB*06396	GRACE TYRRELL	04/06/2026	0.00	218.60
450837	CALCARDS	US Bank Corporate Pmt Systems	04/06/2026	0.00	9,823.43
450838	VAUGHAN	Cathy Vaughan	04/06/2026	0.00	40.00
450839	CALORE	AirMedCare	04/09/2026	0.00	62.00
450840	AMFAM	American Family Life	04/09/2026	0.00	1,779.02

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
450841	AMLIF	Ameritas Life Ins. Corp.	04/09/2026	0.00	5,349.12
450842	CLEA	California Law Enforcement Association	04/09/2026	0.00	384.00
450843	DNAMBU	Del Norte Ambulance Inc.	04/09/2026	0.00	35.00
450844	IBTPORAC	Insurance & Benefits Trust of the Peace	04/09/2026	0.00	126.00
450845	REDWMO	Kevin J Caldwell MD Inc	04/09/2026	0.00	1,639.00
450846	NORTCOAS	NorthCoast Health Screening	04/09/2026	0.00	90.00
450847	SELMAN	One80 Intermediaries Inc.	04/09/2026	0.00	308.00
450848	PARS	PARS, Public Agency Retirement	04/09/2026	0.00	300.00
450849	STANDAI	Standard Insurance Company	04/09/2026	0.00	2,844.56
450850	VISION	Vision Service Plan	04/09/2026	0.00	1,131.45
450851	CASTATE	CA State Disbursement Unit	04/13/2026	0.00	88.84
450852	WAMUTU	Crescent City Employees Association	04/13/2026	0.00	90.00
450853	CCPOLI	Crescent City Police Officer's Assoc	04/13/2026	0.00	600.00
450854	ICMARE	Mission Square	04/13/2026	0.00	7,037.68
450855	PORACRMT	PORAC RMT	04/13/2026	0.00	600.00
450856	1stIN	1075 Emergency Lighting LLC	04/13/2026	0.00	5,450.00
450857	ADAMSASF	Adams Ashby Group	04/13/2026	0.00	3,000.00
450858	AMAZON	Amazon Capital Services, Inc	04/13/2026	0.00	1,032.67
450859	BOBERTZG	Gloria Bobertz	04/13/2026	0.00	352.35
450860	CRENNE	C Renner Petroleum Inc	04/13/2026	0.00	9,981.73
450861	CASA	C.A.S.A. Of Del Norte	04/13/2026	0.00	575.00
450862	CANON	Canon Solutions America Inc	04/13/2026	0.00	98.89
450863	CRANDALL	Crandall Arambula PC	04/13/2026	0.00	5,861.25
450864	DISTOP	Distributor Operations, Inc.	04/13/2026	0.00	341.96
450865	EFFDEL	Efficiency Delivery LLC	04/13/2026	0.00	30.00
450866	ENGLUN	Englund Marine Supply Co.	04/13/2026	0.00	641.76
450867	GRAING	Grainger	04/13/2026	0.00	1,611.26
450868	GRIFFINR	Richard Griffin	04/13/2026	0.00	64.50
450869	HDFOWLER	H. D. Fowler Company, Inc	04/13/2026	0.00	10,601.72
450870	HAMWSG	Hambro WSG Inc	04/13/2026	0.00	8,894.11
450871	HARDY	Hardy Diagnostics	04/13/2026	0.00	637.60
450872	HARPER	Harvey M. Harper Company	04/13/2026	0.00	1,470.01
450873	HEMMIN	Hemmingsen Contracting Co Inc	04/13/2026	0.00	10,586.46
450874	LESSCH	Les Schwab Tire Centers of California	04/13/2026	0.00	477.82
450875	LESINA	Bailey Lesina	04/13/2026	0.00	75.00
450876	THRIFT	Malcolm Kelly Inc.	04/13/2026	0.00	919.59
450877	NCLAB	Microbac Laboratories, Inc.	04/13/2026	0.00	257.00
450878	MICROBIO	Microbiologics, Inc	04/13/2026	0.00	950.16
450879	MISSIONC	Mission Communications LLC	04/13/2026	0.00	563.40
450880	MISSIO	Mission Linen Supply	04/13/2026	0.00	175.43
450881	NCAGLOV	NCG Safety Inc	04/13/2026	0.00	269.16
450882	HUMPES	Northwest Property Services Inc	04/13/2026	0.00	89.38
450883	JACOBS	Operations Management International, Inc	04/13/2026	0.00	135,276.73
450884	OREILLY	O'Reilly Auto Enterprises LLC	04/13/2026	0.00	124.76
450885	MENDES	Pacific Packaging & Supply Co Inc	04/13/2026	0.00	1,051.81
450886	LEXISNE	RELX Inc	04/13/2026	0.00	304.00
450887	PLATT	Rexel USA, Inc.	04/13/2026	0.00	385.32
450888	CAMPSPOT	Rezplot Systems, LLC	04/13/2026	0.00	1,159.70
450889	ROSSJAN	Matthew Ross	04/13/2026	0.00	4,150.00
450890	SCHNEI	Cathy Schneider	04/13/2026	0.00	277.35
450891	SHNCON	SHN Consulting Engineers & Geologists In	04/13/2026	0.00	20,952.50
450892	TALLANST	Tristan Smith	04/13/2026	0.00	680.00
450893	ZCAWTR1	St Wtr Resource Cntrl Brd	04/13/2026	0.00	80.00
450894	RAYMOR	UBEO West, LLC	04/13/2026	0.00	63.85
450895	ULINE	Uline	04/13/2026	0.00	58.59
450896	UNIVAR	Univar Solutions USA Inc.	04/13/2026	0.00	15,455.94

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
Report Total (103 checks):				0.00	585,770.35

AP

04-04-26 to 04-17-26 Housing

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Check Date	Check Number	Description	Amount	Selected For Void
4/6/2026	450799	Folders for HR	5.67	False
4/13/2026	450885	Janitorial Supplies- City-Wide	5.73	False
4/6/2026	450799	Misc Office Supplies	7.24	False
4/6/2026	450832	Misc Office Supplies FY25/26	9.62	False
4/13/2026	450881	Janitorial Supplies- City-Wide	10.77	False
4/13/2026	450885	Janitorial Supplies- City-Wide	12.87	False
4/6/2026	450837	DOLLAR TREE: Easter decor for office.	16.34	False
4/13/2026	450885	Janitorial Supplies- City-Wide	23.47	False
4/13/2026	450858	Misc Office Supplies	25.90	False
4/13/2026	450882	Pest Control Services FY25/26 Housing Authority.	89.38	False
4/6/2026	450808	Fire extinguisher maintenance	130.22	False
4/13/2026	450858	Misc Office Supplies	140.70	False
4/6/2026	450837	EFILE: 1099's for HUD owners.	322.35	False
4/6/2026	450825	Misc Office Supplies	331.56	False
			1,131.82	

AP
04-04-26 to 04-17-26 Council

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Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
0	4/13/2026	610-000-2187-00000	PR Batch 02222.03.2026 Survivor Benefit	0.93	False
0	4/13/2026	610-000-2187-00000	PR Batch 02222.03.2026 ER PERS Contribution	37.32	False
0	4/13/2026	610-000-2187-00000	PR Batch 02222.03.2026 EE PERS Contribution	36.33	False
0	4/9/2026	610-000-2173-00000	April 2026 Premiums - Active	95,090.81	False
0	4/9/2026	001-111-4125-00000	April 2026 Admin Fees - Active	76.07	False
0	4/9/2026	630-111-4409-00000	April 2026 Admin Fees - Retirees	14.78	False
0	4/9/2026	630-000-4125-00000	April 2026 Premiums - Retirees	5,546.00	False
0	4/9/2026	610-000-1510-00000	FY26 PERS UAL - Plan # 6984	27,762.92	False
0	4/9/2026	610-000-1510-00000	FY26 PERS UAL - Plan # 1341	72,766.33	False
0	4/9/2026	610-000-1510-00000	FY26 PERS UAL - Plan # 25612	495.92	False
0	4/9/2026	610-000-1510-00000	FY26 PERS UAL - Plan # 6983	1,975.83	False
0	4/9/2026	610-000-1510-00000	FY26 PERS UAL - Plan # 26908	1,213.00	False
0	4/13/2026	610-000-2188-00000	PR Batch 00001.04.2026 Medicare Employee Portion	1,896.66	False
0	4/13/2026	610-000-2188-00000	PR Batch 00111.04.2026 Medicare Employee Portion	4.97	False
0	4/13/2026	610-000-2189-00000	PR Batch 00011.04.2026 Federal Income Tax	7,703.64	False
0	4/13/2026	610-000-2188-00000	PR Batch 00111.04.2026 Medicare Employer Portion	4.97	False
0	4/13/2026	610-000-2185-00000	PR Batch 00011.04.2026 State Income Tax	2,789.59	False
0	4/13/2026	610-000-2188-00000	PR Batch 00001.04.2026 Medicare Employer Portion	1,896.66	False
0	4/13/2026	610-000-2185-00000	PR Batch 00001.04.2026 State Income Tax	3,679.48	False
0	4/13/2026	610-000-2189-00000	PR Batch 00111.04.2026 Federal Income Tax	3.33	False
0	4/13/2026	610-000-2187-00000	PR Batch 00001.04.2026 EE PERS Contribution	9,722.61	False
0	4/13/2026	610-000-2187-00000	PR Batch 00001.04.2026 Service Credit Purchase	413.20	False
0	4/13/2026	610-000-2187-00000	PR Batch 00011.04.2026 ER PERS Contribution	9,622.00	False
0	4/13/2026	610-000-2188-00000	PR Batch 00011.04.2026 Medicare Employer Portion	1,364.72	False
0	4/13/2026	610-000-2189-00000	PR Batch 00001.04.2026 Federal Income Tax	11,029.02	False
0	4/13/2026	610-000-2187-00000	PR Batch 00001.04.2026 ER PERS Contribution	12,807.57	False
0	4/13/2026	610-000-2187-00000	PR Batch 00011.04.2026 Survivor Benefit	22.80	False
0	4/13/2026	610-000-2187-00000	PR Batch 00011.04.2026 EE PERS 4850 Contribution	369.85	False
0	4/13/2026	610-000-2187-00000	PR Batch 00001.04.2026 MO EE PERS Contribution	190.84	False
0	4/13/2026	610-000-2187-00000	PR Batch 00001.04.2026 Survivor Benefit	39.06	False
0	4/13/2026	610-000-2187-00000	PR Batch 00011.04.2026 EE PERS Contribution	7,795.64	False
0	4/13/2026	610-000-2188-00000	PR Batch 00011.04.2026 Medicare Employee Portion	1,364.72	False
450799	4/6/2026	001-112-4434-00000	Emergency prepared supplies.	300.11	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450799	4/6/2026	001-240-4390-00000	Lights.	57.58	False
450799	4/6/2026	001-480-4320-00000	Uniforms.	120.12	False
450799	4/6/2026	420-115-4390-00000	Wired headsets and hardware.	83.71	False
450799	4/6/2026	001-480-4390-00000	Toner.	135.30	False
450799	4/6/2026	001-240-4380-00000	Dog food.	203.48	False
450799	4/6/2026	420-115-4390-00000	Retractable badge holders.	32.46	False
450799	4/6/2026	001-240-4380-00000	Dog food.	305.22	False
450799	4/6/2026	001-240-4310-00000	ID card blanks.	23.80	False
450799	4/6/2026	420-115-4390-00000	Plotter maint cartridge.	41.12	False
450799	4/6/2026	420-115-4390-00000	Replacement monitor.	187.94	False
450799	4/6/2026	001-130-4310-00000	Office supplies.	3.35	False
450799	4/6/2026	419-130-4310-00000	Office supplies.	3.35	False
450799	4/6/2026	413-130-4310-00000	Office supplies.	3.35	False
450799	4/6/2026	420-115-4390-00000	Keyring for wall.	14.06	False
450799	4/6/2026	412-114-4310-00000	Folders for HR	2.84	False
450799	4/6/2026	419-114-4310-00000	Folders for HR	13.38	False
450799	4/6/2026	001-130-4310-00000	Thumb drive for PRA	17.42	False
450799	4/6/2026	001-114-4310-00000	Folders for HR	79.38	False
450799	4/6/2026	413-114-4310-00000	Folders for HR	12.13	False
450800	4/6/2026	001-240-4391-00000	Duralast	18.39	False
450801	4/6/2026	001-480-4530-00000	4/10-4/13/26 - Eugene, OR - Starguard Elite - Per Diem	162.00	False
450802	4/6/2026	001-480-4220-00000	FY26 Propane- 02/17-03/17/26	4,981.59	False
450802	4/6/2026	001-240-4220-00000	FY26 Propane (Acct:1038315) 02/17-03/17/26	25.97	False
450802	4/6/2026	001-471-4220-00000	FY26 Propane: Cultural Center 02/17-03/17/26. Acct#65468	11.00	False
450803	4/6/2026	001-230-4530-00000	Fuel reimbursement.	58.08	False
450804	4/6/2026	001-111-4530-00000	Economic Summit	65.00	False
450804	4/6/2026	001-114-4530-00000	Economic Summit	65.00	False
450804	4/6/2026	001-112-4530-00000	Economic Summit	65.00	False
450804	4/6/2026	001-350-4530-00000	Economic Summit	65.00	False
450804	4/6/2026	001-112-4530-00000	Economic Summit	65.00	False
450805	4/6/2026	001-313-3715-00000	REISSUANCE of CK#448834 Recording fee at DN for AR 25-01	50.00	False
450805	4/6/2026	001-240-4471-00000	REISSUANCE of CK#448834 Death certificate.	24.00	False
450805	4/6/2026	001-364-4450-10025	REISSUANCE of CK#448834 Encroachment permit.	2.00	False
450805	4/6/2026	001-240-4471-00000	REISSUANCE of CK#448834 Pmt for death certificate.	24.00	False
450805	4/6/2026	419-000-1120-00000	Set up UB cash drawer.	150.00	False
450805	4/6/2026	413-000-1120-00000	Set up UB cash drawer.	150.00	False
450806	4/6/2026	001-230-4330-00000	Fuel for FY26- Feb	1,778.50	False
450807	4/6/2026	412-000-3570-00000	REFUND for stay on 03/16-03/20/26 Con# 13290	266.36	False
450807	4/6/2026	001-000-3221-00000	REFUND for stay on 03/16-03/20/26 Con# 13290	26.64	False
450808	4/6/2026	001-230-4451-00000	Fire extinguisher maintenance	380.22	False
450809	4/6/2026	419-371-4230-00000	707-465-3386 Water Scada Phone- 03/14-04/13/26	146.03	False
450809	4/6/2026	419-371-4230-00000	Water System Phone Bill 707-001-1006 - 03/13-04/12/26	28.04	False
450809	4/6/2026	419-371-4230-00000	Water System Phone 464-2826 -03/13-04/12/26	163.67	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450809	4/6/2026	001-240-4230-00000	Radio to Sherriff - 03/13-04/12/26	29.14	False
450810	4/6/2026	001-000-2230-00000	Cultural Center deposit refund. Event date 03/15/26	575.00	False
450811	4/6/2026	419-371-4409-00000	Annual renewal of GIS Cloud w/ +4 licenses	2,950.00	False
450811	4/6/2026	413-353-4409-00000	Annual renewal of GIS Cloud w/ +4 licenses	910.00	False
450812	4/6/2026	419-000-2110-00000	Refund Check 101135-000, 1023 K ST	11.94	False
450812	4/6/2026	413-000-2110-00000	Refund Check 101135-000, 1023 K ST	27.36	False
450813	4/6/2026	001-470-4390-00000	Sealer	15.75	False
450813	4/6/2026	001-470-4390-00000	Concrete bond	23.75	False
450813	4/6/2026	413-353-4390-00000	Bucket	7.53	False
450813	4/6/2026	001-240-4390-00000	Craftsman base	98.20	False
450813	4/6/2026	001-364-4390-10025	Stakes	82.84	False
450813	4/6/2026	001-240-4390-00000	Screws	6.17	False
450813	4/6/2026	419-371-4390-00000	Water, concrete	20.60	False
450813	4/6/2026	001-470-4390-00000	Tough totes	21.65	False
450813	4/6/2026	001-470-4390-00000	Totes, organizer	36.13	False
450813	4/6/2026	412-100-4390-00000	Paper towels	34.60	False
450813	4/6/2026	001-470-4390-00000	Plugs	3.34	False
450813	4/6/2026	001-364-4390-10025	Water, concrete	20.61	False
450813	4/6/2026	001-470-4390-00000	Water, concrete	20.61	False
450813	4/6/2026	506-506-4390-00000	Water, concrete	20.61	False
450813	4/6/2026	412-100-4799-COAST	Markers	30.17	False
450813	4/6/2026	001-470-4390-00000	Pruners	23.77	False
450813	4/6/2026	413-353-4390-00000	Water, concrete	20.60	False
450813	4/6/2026	419-371-4390-00000	Staples, staple gun, cable ties, plugs	315.70	False
450813	4/6/2026	506-506-4390-00000	Earplugs, trash cans	88.65	False
450813	4/6/2026	412-100-4390-00000	return part	-16.22	False
450813	4/6/2026	412-100-4390-00000	Key	6.14	False
450813	4/6/2026	001-480-4390-00000	Light switch	7.56	False
450813	4/6/2026	001-470-4390-00000	tow lawn detacher	104.82	False
450813	4/6/2026	506-506-4390-00000	Propane	49.23	False
450813	4/6/2026	412-100-4799-COAST	Steel	373.91	False
450813	4/6/2026	506-506-4390-00000	Lmap holder	2.52	False
450813	4/6/2026	412-100-4390-00000	Wire connectors	9.52	False
450813	4/6/2026	001-470-4390-00000	Roundup, weed killer	233.71	False
450813	4/6/2026	412-100-4799-COAST	Studs	4.20	False
450813	4/6/2026	001-471-4390-00000	Lights	58.33	False
450813	4/6/2026	001-470-4390-00000	Brackets, hangers, hooks	103.92	False
450813	4/6/2026	412-100-4390-00000	Lumber	44.77	False
450813	4/6/2026	506-506-4390-00000	Aluminum stop set	13.61	False
450813	4/6/2026	506-506-4390-00000	Ice bag	17.75	False
450813	4/6/2026	508-508-4390-00000	link chain	12.15	False
450813	4/6/2026	506-506-4390-00000	Aluminum stop set	7.51	False
450813	4/6/2026	001-364-4390-10025	Blades	70.20	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450813	4/6/2026	419-371-4390-00000	Drop cloth, paint mixer, brushes	29.14	False
450813	4/6/2026	001-240-4390-00000	Screws	9.72	False
450813	4/6/2026	506-506-4390-00000	Cable	37.87	False
450813	4/6/2026	001-480-4390-00000	Clamp set	8.53	False
450813	4/6/2026	001-112-4392-00000	Totes	124.34	False
450813	4/6/2026	001-470-4390-00000	Epoxy	16.54	False
450813	4/6/2026	001-470-4390-00000	Bolts	5.95	False
450813	4/6/2026	506-506-4390-00000	Shelf bracket	37.61	False
450813	4/6/2026	001-470-4390-00000	Lightning cable, valve boxes	126.33	False
450813	4/6/2026	506-506-4390-00000	Battery charger, connector	92.84	False
450813	4/6/2026	001-470-4390-00000	Strap puller return	-68.18	False
450813	4/6/2026	412-100-4390-00000	Tissues	7.55	False
450813	4/6/2026	001-364-4390-10025	Spring and hooks	36.37	False
450813	4/6/2026	001-364-4390-10025	Metal cutoff, chisel set	55.11	False
450813	4/6/2026	412-100-4390-00000	Mylar	6.21	False
450813	4/6/2026	001-470-4390-00000	Staples	9.50	False
450813	4/6/2026	001-470-4390-00000	Impact drill bit	22.16	False
450813	4/6/2026	001-470-4390-00000	GFCI outlet, outlet cover	93.03	False
450813	4/6/2026	412-100-4799-COAST	Breaker	64.92	False
450813	4/6/2026	001-480-4390-00000	Lumber	8.34	False
450813	4/6/2026	001-470-4390-00000	Tapcon, bits, lumber	98.28	False
450813	4/6/2026	001-470-4390-00000	Spray paint	23.77	False
450813	4/6/2026	001-470-4390-00000	Weed and feed	454.46	False
450813	4/6/2026	001-470-4390-00000	Wire connectors	10.65	False
450813	4/6/2026	001-470-4390-00000	Post caps	257.59	False
450813	4/6/2026	001-470-4390-00000	Painters touch	15.11	False
450813	4/6/2026	001-470-4390-00000	Waterproof card, tubing	22.52	False
450813	4/6/2026	001-364-4390-10025	Utility knife, tension band, tension bar	60.22	False
450813	4/6/2026	001-470-4390-00000	Valves, screwdrivers, bit holders	76.07	False
450813	4/6/2026	001-480-4390-00000	Parts	20.75	False
450813	4/6/2026	001-470-4390-00000	Lumber	7.59	False
450813	4/6/2026	001-470-4390-00000	Fabric, fence ties, strap pullers	392.14	False
450813	4/6/2026	001-470-4390-00000	Concrete	72.78	False
450813	4/6/2026	413-353-4390-00000	Utility knife, tension band, tension bar	60.23	False
450813	4/6/2026	001-470-4390-00000	Chainlink, turnbuckle, bolts, top rail sleeve	512.88	False
450813	4/6/2026	001-470-4390-00000	Posts	32.04	False
450813	4/6/2026	001-470-4390-00000	Rail sleeve return	-31.13	False
450813	4/6/2026	506-506-4390-00000	Bar hooks return	-83.17	False
450813	4/6/2026	001-470-4390-00000	Lumber	13.87	False
450813	4/6/2026	419-371-4390-00000	Utility knife, tension band, tension bar	60.23	False
450813	4/6/2026	419-371-4390-00000	Brass parts	59.22	False
450813	4/6/2026	508-508-4390-00000	Metal cutting mitering chop saw & meter lids	360.83	False
450813	4/6/2026	419-371-4390-00000	Metal cutting mitering chop saw & meter lids	360.83	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450813	4/6/2026	001-364-4390-10025	Metal cutting mitering chop saw & meter lids	360.84	False
450813	4/6/2026	001-480-4390-00000	Pipe thread	20.26	False
450813	4/6/2026	508-508-4390-00000	Galvenized parts	17.72	False
450813	4/6/2026	001-470-4390-00000	Gauge	141.07	False
450813	4/6/2026	001-470-4390-00000	Pavers	15.41	False
450813	4/6/2026	001-470-4390-00000	Botls, nuts, tension bands	212.78	False
450813	4/6/2026	001-470-4390-00000	chain link	139.64	False
450813	4/6/2026	001-470-4390-00000	Tension band	15.80	False
450813	4/6/2026	001-470-4390-00000	Grass seed	220.73	False
450813	4/6/2026	508-508-4390-00000	Drill bit and blade	52.54	False
450813	4/6/2026	001-470-4390-00000	Weed and feed	246.68	False
450813	4/6/2026	001-364-4390-10025	Tool	9.72	False
450813	4/6/2026	001-470-4390-00000	Sander pads	30.25	False
450813	4/6/2026	412-100-4390-00000	Fence posts	170.27	False
450813	4/6/2026	506-506-4390-00000	Florescent lamp holder	14.01	False
450813	4/6/2026	412-100-4390-00000	Concrete	24.25	False
450813	4/6/2026	419-371-4390-00000	Paint sprayer	193.77	False
450813	4/6/2026	413-356-4390-35022	Water, bleach, sprayer	29.94	False
450813	4/6/2026	001-364-4390-10025	Lime	67.26	False
450813	4/6/2026	419-371-4390-00000	Buckets, brushes, acetone	42.09	False
450813	4/6/2026	001-240-4390-00000	Wall plates, covers	8.10	False
450813	4/6/2026	001-470-4390-00000	Sander	150.47	False
450813	4/6/2026	506-506-4390-00000	Trash can, wipes	56.01	False
450813	4/6/2026	001-470-4390-00000	Concrete, eye bolts	56.68	False
450813	4/6/2026	419-371-4390-00000	Painting cloth, extension cord	61.64	False
450813	4/6/2026	419-371-4390-00000	Tapcon	27.03	False
450813	4/6/2026	001-240-4390-00000	Lights	75.78	False
450813	4/6/2026	419-371-4390-00000	Pliers, receptacle tester	105.99	False
450813	4/6/2026	419-371-4390-00000	Wrenches	91.60	False
450813	4/6/2026	413-351-4390-00000	Hose end	27.03	False
450813	4/6/2026	506-506-4390-00000	Picture hanger	2.86	False
450813	4/6/2026	001-480-4390-00000	Concrete	48.52	False
450813	4/6/2026	506-506-4390-00000	Electric covers	8.90	False
450813	4/6/2026	506-506-4390-00000	Crate, gloves	130.18	False
450813	4/6/2026	419-371-4390-00000	Drill bit	17.83	False
450813	4/6/2026	413-353-4390-00000	Totes	264.11	False
450813	4/6/2026	413-351-4390-00000	Extension pole	27.03	False
450814	4/6/2026	001-240-4380-00000	Murtaugh- Vet exam.	665.00	False
450815	4/6/2026	412-000-3570-00000	REFUND for stay on 07/17-07/21/26 Con#13614	50.00	False
450815	4/6/2026	001-000-3221-00000	REFUND for stay on 07/17-07/21/26 Con#13614	5.00	False
450816	4/6/2026	419-000-2110-00000	Refund Check 110769-000, 744 ENDERT ST	167.34	False
450817	4/6/2026	412-100-4320-00000	Uniforms.	32.25	False
450818	4/6/2026	419-000-2110-00000	Refund Check 110068-000, 180 GRAND AVE	218.60	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450819	4/6/2026	419-000-2110-00000	Refund Check 113350-000, 190 DREAM ST	198.63	False
450820	4/6/2026	001-240-4530-2020S	FY26 Monthly K9 Maint Fees - Murtaugh March 2026	400.00	False
450820	4/6/2026	001-240-4530-2020S	FY26 Monthly K9 Maint Fees - Kostya, March 2026	400.00	False
450821	4/6/2026	419-371-4450-00000	Backflow testing.	1,000.00	False
450822	4/6/2026	413-000-2110-00000	Refund Check 111391-000, 1610 GAINARD ST	50.55	False
450822	4/6/2026	419-000-2110-00000	Refund Check 111391-000, 1610 GAINARD ST	15.74	False
450823	4/6/2026	413-000-2110-00000	Refund Check 109885-000, 135 FAIRFAX CT	126.28	False
450824	4/6/2026	001-480-4370-00000	FY 26 Laundry services. Pool	72.48	False
450826	4/6/2026	001-471-4450-00000	Annual monthly maintenance service FY26-04/01-04/30/26	439.56	False
450827	4/6/2026	419-000-2110-00000	Refund Check 009142-000, 1100 JACCARD ST	13.71	False
450828	4/6/2026	420-115-4390-00000	Protective Footwear Reimbursement- FY26	94.14	False
450829	4/6/2026	001-000-3221-00000	REFUND for stay on 03/31-04/02/26 Con # 13518	9.64	False
450829	4/6/2026	412-000-3570-00000	REFUND for stay on 03/31-04/02/26 Con # 13518	96.36	False
450830	4/6/2026	412-100-4450-00000	Lighthouse Cove Janitorial Services - FY26- Mar	1,500.00	False
450830	4/6/2026	001-230-4451-00000	Fire and rescue Janitorial Services - FY26- Mar	225.00	False
450831	4/6/2026	413-353-4530-00000	T2 certification fee.	80.00	False
450833	4/6/2026	419-000-2110-00000	REISSUANCE of CK#448887 Refund Check 112249-000, 500 ADAMS AVE	230.02	False
450834	4/6/2026	419-000-2110-00000	Refund Check 108277-000, 306 BUTTE ST	73.24	False
450835	4/6/2026	001-000-3221-00000	REFUND for stay on 03/21-03/24/26 Con# 13625	12.10	False
450835	4/6/2026	412-000-3570-00000	REFUND for stay on 03/21-03/24/26 Con# 13625	121.00	False
450836	4/6/2026	419-000-2110-00000	Refund Check 113003-000, 201 BREAKWATER DR	218.60	False
450837	4/6/2026	412-113-4530-00000	BBK LAW: Clerk training.	3.00	False
450837	4/6/2026	419-113-4530-00000	VISIONEER NEMCIA: Clerk training.	19.20	False
450837	4/6/2026	001-480-4320-00000	TERRYS WEARABLE: Uniforms.	485.89	False
450837	4/6/2026	001-480-4530-00000	STAR GUARD: Training.	463.50	False
450837	4/6/2026	001-230-4530-00000	SHASTA: Chief Officer class.	256.50	False
450837	4/6/2026	413-113-4450-00000	BEST SELF STORAGE: Physical document storage.	64.00	False
450837	4/6/2026	413-113-4530-00000	CAPTUS PRESS: Clerk training.	32.00	False
450837	4/6/2026	001-230-4390-00000	AMAZON: Office storage.	63.85	False
450837	4/6/2026	420-115-4450-00000	SPAM HERO: Spam filter.	10.00	False
450837	4/6/2026	001-240-4240-00000	MAILROOM: Postage.	2.61	False
450837	4/6/2026	420-115-4312-00000	BUSINESS APPLE: iCloud Backup.	34.95	False
450837	4/6/2026	001-240-4240-00000	MAILROOM: Postage.	7.36	False
450837	4/6/2026	001-230-4390-00000	HARBOR FREIGHT: Tools for station.	22.12	False
450837	4/6/2026	001-240-4390-00000	CRYSTAL: water for office.	40.00	False
450837	4/6/2026	121-230-4390-00000	BEFITNOW: Stair Climber 3000 for volunteer's gym	2,999.00	False
450837	4/6/2026	001-113-4450-00000	BEST SELF STORAGE: Physical document storage.	64.00	False
450837	4/6/2026	413-113-4450-00000	STOREWELL ELK: Physical document storage.	75.20	False
450837	4/6/2026	001-240-4391-00000	TINGERTOUGH: Seat covers.	447.08	False
450837	4/6/2026	001-230-4390-00000	HOME DEPOT: Garage door opener and tools.	111.40	False
450837	4/6/2026	001-240-4390-AB109	STARLINK: Internet for ICAC.	165.00	False
450837	4/6/2026	001-480-4370-00000	WALMART: Disinfectant wipes	11.33	False
450837	4/6/2026	001-230-4390-00000	HOME DEPOT: Return for garage door opener.	-37.87	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450837	4/6/2026	001-480-4390-00000	CHEM CONCEPT: Credit.	-141.88	False
450837	4/6/2026	001-230-4550-00000	INT'L CODE COUNCIL: CA code book.	800.57	False
450837	4/6/2026	412-100-4230-00000	OPTCONNECT: Monthly subscription.	25.75	False
450837	4/6/2026	420-115-4450-00000	NEXTDNS: DNS filter.	19.90	False
450837	4/6/2026	412-113-4450-00000	STOREWELL ELK: Physical document storage.	9.40	False
450837	4/6/2026	001-230-4390-00000	HOME DEPOT: Misc. parts and supplies.	67.83	False
450837	4/6/2026	001-240-4530-00000	CHEVERON: Gas to pick up new van.	46.36	False
450837	4/6/2026	001-480-4378-00000	WALMART: Juice	12.70	False
450837	4/6/2026	001-113-4530-00000	VISIONEER NEMCIA: Clerk training.	19.20	False
450837	4/6/2026	001-230-4330-00000	FRED MEYER: Fuel for 5178	77.15	False
450837	4/6/2026	001-113-4530-00000	BBK LAW: Clerk training.	24.00	False
450837	4/6/2026	001-113-4450-00000	STOREWELL ELK: Physical document storage.	75.20	False
450837	4/6/2026	419-113-4530-00000	BBK LAW: Clerk training.	24.00	False
450837	4/6/2026	412-113-4530-00000	CAPTUS PRESS: Clerk training.	4.00	False
450837	4/6/2026	001-112-4430-00000	HOME DEPOT: Taiko drum.	157.50	False
450837	4/6/2026	001-230-4530-00000	SHASTA: Chief Officer class.	256.50	False
450837	4/6/2026	413-113-4530-00000	VISIONEER NEMCIA: Clerk training.	19.20	False
450837	4/6/2026	001-112-4430-00000	HOME DEPOT: Taiko drum.	308.03	False
450837	4/6/2026	413-113-4530-00000	BBK LAW: Clerk training.	24.00	False
450837	4/6/2026	001-230-4530-00000	TMCC- EPIC: 223 Course	200.00	False
450837	4/6/2026	001-480-4390-00000	WALMART: Locks	23.44	False
450837	4/6/2026	001-113-4530-00000	CAPTUS PRESS: Clerk training.	32.00	False
450837	4/6/2026	419-113-4530-00000	CAPTUS PRESS: Clerk training.	32.00	False
450837	4/6/2026	001-230-4409-00000	FIRE PROGRAMS: Fire archives.	260.00	False
450837	4/6/2026	419-113-4530-00000	BBK LAW: Clerk training.	16.00	False
450837	4/6/2026	506-506-4390-00000	HOME DEPOT: HDMI cable for WWTP.	37.87	False
450837	4/6/2026	001-230-4390-00000	HOME DEPOT: Garage door- city.	28.15	False
450837	4/6/2026	001-240-4390-00000	HARBOR FREIGHT: Zip ties for evidence.	17.10	False
450837	4/6/2026	506-506-4390-00000	HOME DEPOT: HDMI cable for WWTP.	67.02	False
450837	4/6/2026	001-112-4430-00000	HOME DEPOT: Taiko drum.	129.77	False
450837	4/6/2026	412-113-4530-00000	BBK LAW: Clerk training.	2.00	False
450837	4/6/2026	001-480-4390-00000	USPS: Chem concepts.	26.95	False
450837	4/6/2026	419-113-4450-00000	BEST SELF STORAGE: Physical document storage.	64.00	False
450837	4/6/2026	001-230-4311-00000	AMAZON: Chairs for staff	605.92	False
450837	4/6/2026	001-230-4510-00000	WALMART: Scene support-water.	234.24	False
450837	4/6/2026	001-112-4434-00000	USPS: Kamome shipping.	35.45	False
450837	4/6/2026	001-230-4390-00000	HOME DEPOT: Misc. parts and supplies.	32.28	False
450837	4/6/2026	001-113-4530-00000	BBK LAW: Clerk training.	16.00	False
450837	4/6/2026	001-230-4530-00000	WALMART: Training props.	84.82	False
450837	4/6/2026	419-113-4450-00000	STOREWELL ELK: Physical document storage.	75.20	False
450837	4/6/2026	001-230-4390-00000	HARBOR FREIGHT: Straps for hose on rigs.	12.10	False
450837	4/6/2026	412-113-4530-00000	VISIONEER NEMCIA: Clerk training.	2.40	False
450837	4/6/2026	413-113-4530-00000	BBK LAW: Clerk training.	16.00	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450837	4/6/2026	001-230-4530-00000	SHASTA: Chief Officer class.	256.50	False
450837	4/6/2026	412-113-4450-00000	BEST SELF STORAGE: Physical document storage.	8.00	False
450838	4/6/2026	001-000-3221-00000	REFUND for stay on 03/30-04/02/26 Con# 13122	3.64	False
450838	4/6/2026	412-000-3570-00000	REFUND for stay on 03/30-04/02/26 Con# 13122	36.36	False
450839	4/9/2026	610-000-2180-00000	Pro-rated Membership - Pool	62.00	False
450840	4/9/2026	610-000-2174-00000	March 2026 Premiums - Acct # Q9377	1,779.02	False
450841	4/9/2026	610-000-2177-00000	April 2026 Premiums - Policy 010-21636 00001	5,349.12	False
450842	4/9/2026	610-000-2179-00000	April 2026 Billing	384.00	False
450843	4/9/2026	001-230-4125-00000	Pro-rated Membership - Vol FF	35.00	False
450844	4/9/2026	610-000-2179-00000	April 2026 Premiums	126.00	False
450845	4/9/2026	419-371-4407-00000	Pre-employment screening (Feb-March 2026) - PW	22.95	False
450845	4/9/2026	506-506-4407-00000	Pre-employment screening (Feb-March 2026) - PW	0.83	False
450845	4/9/2026	001-480-4407-00000	Pre-employment screening (Feb-March 2026) - Pool	400.00	False
450845	4/9/2026	001-112-4407-00000	Pre-employment screening (Feb-March 2026) - PW	0.82	False
450845	4/9/2026	001-230-4407-00000	Pre-employment screening (Feb-March 2026) - Fire	1,164.00	False
450845	4/9/2026	001-470-4407-00000	Pre-employment screening (Feb-March 2026) - PW	15.75	False
450845	4/9/2026	413-353-4407-00000	Pre-employment screening (Feb-March 2026) - PW	11.02	False
450845	4/9/2026	001-364-4407-00000	Pre-employment screening (Feb-March 2026) - PW	23.63	False
450846	4/9/2026	001-480-4407-00000	Pre-employment Screening - Pool	90.00	False
450847	4/9/2026	001-230-4125-00000	March 2026 Premiums - Fire Inv # LB00004073_20260301	152.00	False
450847	4/9/2026	001-230-4125-00000	April 2026 Premiums - Fire Inv # LB00004073_20260401	156.00	False
450848	4/9/2026	630-111-4409-00000	Jan 2026 Billing - Plan ID GZ-PRC10A	300.00	False
450849	4/9/2026	610-000-2179-00000	April 2026 Premiums - Policy # 00 639849 0001	2,844.56	False
450850	4/9/2026	610-000-2175-00000	April 2026 Premiums - Client ID # 12003309	1,131.45	False
450851	4/13/2026	610-000-2170-00000	PR Batch 00001.04.2026 Child Support-CA	88.84	False
450852	4/13/2026	610-000-2184-00000	PR Batch 00011.04.2026 CCEA Monthly Dues	5.00	False
450852	4/13/2026	610-000-2184-00000	PR Batch 00001.04.2026 CCEA Monthly Dues	85.00	False
450853	4/13/2026	610-000-2181-00000	PR Batch 00011.04.2026 CCPOA Dues	600.00	False
450854	4/13/2026	610-000-2178-00000	Plan # 300878	200.79	False
450854	4/13/2026	610-000-2186-00000	Plan # 306752	6.20	False
450854	4/13/2026	610-000-2178-00000	Plan # 300878	3,135.00	False
450854	4/13/2026	610-000-2186-00000	Plan # 306752	4.46	False
450854	4/13/2026	610-000-2186-00000	Plan # 306752	1,045.87	False
450854	4/13/2026	610-000-2186-00000	Plan # 306752	219.32	False
450854	4/13/2026	610-000-2186-00000	Plan # 306752	29.58	False
450854	4/13/2026	610-000-2178-00000	Plan # 300878	2,075.00	False
450854	4/13/2026	610-000-2186-00000	Plan # 306752	21.27	False
450854	4/13/2026	610-000-2178-00000	Plan # 300878	300.19	False
450855	4/13/2026	610-000-2182-00000	PR Batch 00011.04.2026 PORAC RMT 4850	50.00	False
450855	4/13/2026	610-000-2182-00000	PR Batch 00011.04.2026 PORAC RMT	550.00	False
450856	4/13/2026	903-000-2122-00000	Command Box for 5100	-449.63	False
450856	4/13/2026	930-230-4930-2020S	Command Box for 5100	5,899.63	False
450857	4/13/2026	159-485-4799-23ASP	Front Street CDBG labor compliance. Prog pmnt no.7	3,000.00	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450858	4/13/2026	001-364-4350-10023	Parts	688.00	False
450858	4/13/2026	412-130-4310-00000	CH -Office Supplies	0.02	False
450858	4/13/2026	001-480-4320-00000	Uniforms	108.20	False
450858	4/13/2026	001-120-4310-00000	CH -Office Supplies	0.80	False
450858	4/13/2026	412-120-4310-00000	CH -Office Supplies	0.13	False
450858	4/13/2026	001-111-4310-00000	CH -Office Supplies	0.16	False
450858	4/13/2026	001-364-4310-00000	CH -Office Supplies	0.16	False
450858	4/13/2026	413-120-4310-00000	CH -Office Supplies	0.87	False
450858	4/13/2026	412-113-4310-00000	CH -Office Supplies	0.02	False
450858	4/13/2026	413-130-4310-00000	CH -Office Supplies	0.09	False
450858	4/13/2026	419-130-4310-00000	CH -Office Supplies	0.08	False
450858	4/13/2026	412-111-4310-00000	CH -Office Supplies	0.03	False
450858	4/13/2026	001-470-4310-00000	CH -Office Supplies	0.06	False
450858	4/13/2026	001-350-4310-00000	CH -Office Supplies	0.41	False
450858	4/13/2026	001-113-4310-00000	CH -Office Supplies	0.15	False
450858	4/13/2026	413-357-4310-00000	CH -Office Supplies	0.28	False
450858	4/13/2026	001-251-4310-00000	CH -Office Supplies	0.79	False
450858	4/13/2026	001-471-4310-00000	CH -Office Supplies	0.11	False
450858	4/13/2026	419-114-4310-00000	CH -Office Supplies	0.07	False
450858	4/13/2026	419-371-4310-00000	CH -Office Supplies	0.51	False
450858	4/13/2026	001-480-4310-00000	CH -Office Supplies	0.13	False
450858	4/13/2026	001-114-4310-00000	CH -Office Supplies	0.35	False
450858	4/13/2026	413-114-4310-00000	CH -Office Supplies	0.06	False
450858	4/13/2026	413-352-4310-00000	CH -Office Supplies	0.07	False
450858	4/13/2026	419-113-4310-00000	CH -Office Supplies	0.14	False
450858	4/13/2026	419-120-4310-00000	CH -Office Supplies	0.86	False
450858	4/13/2026	412-100-4310-00000	CH -Office Supplies	0.12	False
450858	4/13/2026	419-111-4310-00000	CH -Office Supplies	0.16	False
450858	4/13/2026	001-313-4310-00000	CH -Office Supplies	0.21	False
450858	4/13/2026	001-250-4310-00000	CH -Office Supplies	0.18	False
450858	4/13/2026	001-112-4310-00000	CH -Office Supplies	0.33	False
450858	4/13/2026	001-130-4310-00000	CH -Office Supplies	0.17	False
450858	4/13/2026	412-114-4310-00000	CH -Office Supplies	0.01	False
450858	4/13/2026	413-113-4310-00000	CH -Office Supplies	0.15	False
450858	4/13/2026	420-115-4310-00000	CH -Office Supplies	0.97	False
450858	4/13/2026	413-353-4310-00000	CH -Office Supplies	0.17	False
450858	4/13/2026	413-111-4310-00000	CH -Office Supplies	0.14	False
450858	4/13/2026	420-115-4390-00000	FIDO2 Keys	53.70	False
450858	4/13/2026	001-130-4310-00000	CH -Office Supplies	0.14	False
450858	4/13/2026	413-357-4310-00000	CH -Office Supplies	0.23	False
450858	4/13/2026	413-113-4310-00000	CH -Office Supplies	0.12	False
450858	4/13/2026	419-114-4310-00000	CH -Office Supplies	0.05	False
450858	4/13/2026	412-130-4310-00000	CH -Office Supplies	0.02	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450858	4/13/2026	412-111-4310-00000	CH -Office Supplies	0.02	False
450858	4/13/2026	412-100-4310-00000	CH -Office Supplies	0.10	False
450858	4/13/2026	001-250-4310-00000	CH -Office Supplies	0.14	False
450858	4/13/2026	001-114-4310-00000	CH -Office Supplies	0.28	False
450858	4/13/2026	001-112-4310-00000	CH -Office Supplies	0.26	False
450858	4/13/2026	420-115-4310-00000	CH -Office Supplies	0.78	False
450858	4/13/2026	413-353-4310-00000	CH -Office Supplies	0.13	False
450858	4/13/2026	413-130-4310-00000	CH -Office Supplies	0.07	False
450858	4/13/2026	001-111-4310-00000	CH -Office Supplies	0.13	False
450858	4/13/2026	419-113-4310-00000	CH -Office Supplies	0.12	False
450858	4/13/2026	001-251-4310-00000	CH -Office Supplies	0.64	False
450858	4/13/2026	419-111-4310-00000	CH -Office Supplies	0.13	False
450858	4/13/2026	001-470-4310-00000	CH -Office Supplies	0.05	False
450858	4/13/2026	413-114-4310-00000	CH -Office Supplies	0.04	False
450858	4/13/2026	001-120-4310-00000	CH -Office Supplies	0.65	False
450858	4/13/2026	419-371-4310-00000	CH -Office Supplies	0.42	False
450858	4/13/2026	412-114-4310-00000	CH -Office Supplies	0.01	False
450858	4/13/2026	001-471-4310-00000	CH -Office Supplies	0.09	False
450858	4/13/2026	412-113-4310-00000	CH -Office Supplies	0.02	False
450858	4/13/2026	413-111-4310-00000	CH -Office Supplies	0.11	False
450858	4/13/2026	419-120-4310-00000	CH -Office Supplies	0.69	False
450858	4/13/2026	412-120-4310-00000	CH -Office Supplies	0.11	False
450858	4/13/2026	001-480-4310-00000	CH -Office Supplies	0.10	False
450858	4/13/2026	413-352-4310-00000	CH -Office Supplies	0.06	False
450858	4/13/2026	419-130-4310-00000	CH -Office Supplies	0.07	False
450858	4/13/2026	413-120-4310-00000	CH -Office Supplies	0.69	False
450858	4/13/2026	001-364-4310-00000	CH -Office Supplies	0.13	False
450858	4/13/2026	001-350-4310-00000	CH -Office Supplies	0.32	False
450858	4/13/2026	001-113-4310-00000	CH -Office Supplies	0.12	False
450858	4/13/2026	001-313-4310-00000	CH -Office Supplies	0.17	False
450859	4/13/2026	001-240-4393-0VIPS	4/20-4/24/26-Las Vegas Nat'l MUPS Conf -ADVANCE	352.35	False
450860	4/13/2026	508-508-4330-00000	FY 26 Annual Diesel and Gas for city facilities/corp yard	5,748.96	False
450860	4/13/2026	001-240-4330-00000	FY26 Fuel for Patrol Cars: Mar '26	3,845.41	False
450860	4/13/2026	001-240-4330-00000	FY26 Fuel for Patrol Cars. Mar '26	387.36	False
450861	4/13/2026	001-000-2230-00000	Cultural Center deposit refund. Event date 03/31/26	575.00	False
450862	4/13/2026	001-350-4450-00000	Copier maintenance: 02/26-03/24/26	77.02	False
450862	4/13/2026	001-350-4450-00000	Copier maintenance: 02/26-03/24/26	21.87	False
450863	4/13/2026	001-112-4409-00000	Downtown Specific Plan: urban design services: 11/15/26-03/10/26	3,262.50	False
450863	4/13/2026	412-100-4409-00000	Downtown Specific Plan: urban design services: 11/15/26-03/10/26	2,598.75	False
450864	4/13/2026	508-508-4390-00000	Oil	341.96	False
450865	4/13/2026	413-352-4470-00000	FY26 Sample Delivery to NCL for WW and DW	30.00	False
450866	4/13/2026	413-356-4390-35022	Parts	72.94	False
450866	4/13/2026	001-480-4390-00000	Sleeved cable.	90.54	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450866	4/13/2026	508-508-4390-00000	Coupler	321.81	False
450866	4/13/2026	001-364-4390-10025	RETURN	-4.01	False
450866	4/13/2026	413-353-4390-00000	RETURN	-4.02	False
450866	4/13/2026	413-353-4390-00000	Bib	55.81	False
450866	4/13/2026	419-371-4390-00000	RETURN	-4.02	False
450866	4/13/2026	001-480-4390-00000	Thimble	1.07	False
450866	4/13/2026	419-371-4390-00000	Bib	55.81	False
450866	4/13/2026	001-364-4390-10025	Bib	55.83	False
450867	4/13/2026	413-353-4390-00000	Saw Blade	177.41	False
450867	4/13/2026	419-371-4390-00000	Saw Blade	177.41	False
450867	4/13/2026	001-364-4350-10023	Splice connectors	439.79	False
450867	4/13/2026	001-364-4390-10025	Saw Blade	177.41	False
450867	4/13/2026	001-364-4350-10023	Tubing	639.24	False
450868	4/13/2026	001-240-4530-00000	3/1-3/7/26 - Sacramento - Code Enf Train-Mod 2: meals. REMAINING	64.50	False
450869	4/13/2026	419-371-4390-00000	Corp stop	920.13	False
450869	4/13/2026	919-371-4799-37118	Kamstrup 2" Water Meters	6,386.75	False
450869	4/13/2026	419-371-4390-00000	Pipe	309.60	False
450869	4/13/2026	419-371-4390-00000	Saddle body.	163.64	False
450869	4/13/2026	001-470-4390-00000	Modular controllers	487.19	False
450869	4/13/2026	419-371-4390-00000	Waer parts.	801.15	False
450869	4/13/2026	001-470-4390-00000	Rotor	669.38	False
450869	4/13/2026	001-470-4390-00000	Valve	863.88	False
450870	4/13/2026	413-000-1202-00000	Sludge processing.	2,371.88	False
450870	4/13/2026	413-000-1202-00000	Sludge processing.	2,037.64	False
450870	4/13/2026	413-000-1202-00000	Sludge processing.	319.95	False
450870	4/13/2026	413-000-1202-00000	Sludge processing.	2,169.90	False
450870	4/13/2026	413-000-1202-00000	Sludge processing.	1,994.74	False
450871	4/13/2026	413-351-4390-00000	FY26 Microbiological Testing: dehydrated media, sterile supplies	463.79	False
450871	4/13/2026	413-351-4390-00000	FY26 Microbiological Testing: dehydrated media, sterile supplies	173.81	False
450872	4/13/2026	001-240-4391-00000	LED Headlamp ASM for police interceptor	1,470.01	False
450873	4/13/2026	419-372-4450-41029	Repair Churchtree road due to water repairs	10,586.46	False
450874	4/13/2026	508-508-4390-00000	Tires	238.91	False
450874	4/13/2026	508-508-4390-00000	Tires	238.91	False
450875	4/13/2026	001-000-2230-00000	Cultural Center deposit refund. Event date 03/28/26	75.00	False
450876	4/13/2026	419-371-4390-00000	Water parts	88.62	False
450876	4/13/2026	419-371-4390-00000	Water stock.	400.93	False
450876	4/13/2026	001-470-4390-00000	Parts.	108.73	False
450876	4/13/2026	419-371-4390-00000	Water stock.	90.05	False
450876	4/13/2026	001-470-4390-00000	Parts	73.13	False
450876	4/13/2026	001-470-4390-00000	Pipe cutters.	158.13	False
450877	4/13/2026	413-351-4685-00000	FY26 External lab test for CCWQL	66.00	False
450877	4/13/2026	413-352-4470-00000	FY26 External testing for WWTP	191.00	False
450878	4/13/2026	413-351-4390-00000	FY26 ATCC Microorganisms	950.16	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450879	4/13/2026	412-100-4409-00000	RV Park lift station monitoring.	563.40	False
450880	4/13/2026	413-351-4320-00000	FY 26 Laundry services/uniforms	26.19	False
450880	4/13/2026	413-351-4320-00000	Gloves	58.20	False
450880	4/13/2026	001-480-4370-00000	FY 26 Laundry services- pool	72.48	False
450880	4/13/2026	413-351-4320-00000	FY 26 Laundry services/uniforms	18.56	False
450881	4/13/2026	001-251-4370-00000	Janitorial Supplies- City-Wide	0.53	False
450881	4/13/2026	001-111-4370-00000	Janitorial Supplies- City-Wide	1.08	False
450881	4/13/2026	506-506-4370-00000	Janitorial Supplies- City-Wide	10.77	False
450881	4/13/2026	412-100-4370-00000	Janitorial Supplies- City-Wide	10.77	False
450881	4/13/2026	420-115-4370-00000	Janitorial Supplies- City-Wide	1.08	False
450881	4/13/2026	413-120-4370-00000	Janitorial Supplies- City-Wide	1.08	False
450881	4/13/2026	001-113-4370-00000	Janitorial Supplies- City-Wide	1.08	False
450881	4/13/2026	001-114-4370-00000	Janitorial Supplies- City-Wide	1.07	False
450881	4/13/2026	001-313-4370-00000	Janitorial Supplies- City-Wide	1.08	False
450881	4/13/2026	001-350-4370-00000	Janitorial Supplies- City-Wide	30.68	False
450881	4/13/2026	413-352-4370-00000	Janitorial Supplies- City-Wide	10.76	False
450881	4/13/2026	508-508-4370-00000	Janitorial Supplies- City-Wide	13.46	False
450881	4/13/2026	001-480-4370-00000	Janitorial Supplies- City-Wide	26.91	False
450881	4/13/2026	419-120-4370-00000	Janitorial Supplies- City-Wide	1.07	False
450881	4/13/2026	001-470-4370-00000	Janitorial Supplies- City-Wide	121.12	False
450881	4/13/2026	001-240-4370-00000	Janitorial Supplies- City-Wide	10.77	False
450881	4/13/2026	001-120-4370-00000	Janitorial Supplies- City-Wide	4.31	False
450881	4/13/2026	001-471-4370-00000	Janitorial Supplies- City-Wide	10.77	False
450883	4/13/2026	413-352-4450-00000	WWTP Operations Contract- Mar 26	14,666.67	False
450883	4/13/2026	413-352-4409-00000	WWTP Operations Contract- Mar 26	133,148.74	False
450883	4/13/2026	413-351-4409-00000	WWTP Operations Contract- Mar 26	800.00	False
450883	4/13/2026	413-352-4340-00000	WWTP Operations Contract- Mar 26	10,723.30	False
450883	4/13/2026	413-000-1202-00000	WWTP Operations Contract- Credit for hauling solids	-24,061.98	False
450884	4/13/2026	508-508-4390-00000	Sensor	124.76	False
450885	4/13/2026	001-251-4370-00000	Janitorial Supplies- City-Wide	0.65	False
450885	4/13/2026	001-240-4370-00000	Janitorial Supplies- City-Wide	12.87	False
450885	4/13/2026	001-350-4370-00000	Janitorial Supplies- City-Wide	36.67	False
450885	4/13/2026	413-120-4370-00000	Janitorial Supplies- City-Wide	1.28	False
450885	4/13/2026	001-114-4370-00000	Janitorial Supplies- City-Wide	1.29	False
450885	4/13/2026	001-113-4370-00000	Janitorial Supplies- City-Wide	1.28	False
450885	4/13/2026	001-111-4370-00000	Janitorial Supplies- City-Wide	1.29	False
450885	4/13/2026	413-352-4370-00000	Janitorial Supplies- City-Wide	12.87	False
450885	4/13/2026	001-313-4370-00000	Janitorial Supplies- City-Wide	1.29	False
450885	4/13/2026	508-508-4370-00000	Janitorial Supplies- City-Wide	16.09	False
450885	4/13/2026	001-470-4370-00000	Janitorial Supplies- City-Wide	144.78	False
450885	4/13/2026	506-506-4370-00000	Janitorial Supplies- City-Wide	12.86	False
450885	4/13/2026	420-115-4370-00000	Janitorial Supplies- City-Wide	1.29	False
450885	4/13/2026	419-120-4370-00000	Janitorial Supplies- City-Wide	1.29	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450885	4/13/2026	001-120-4370-00000	Janitorial Supplies- City-Wide	5.15	False
450885	4/13/2026	001-471-4370-00000	Janitorial Supplies- City-Wide	12.87	False
450885	4/13/2026	001-480-4370-00000	Janitorial Supplies- City-Wide	32.17	False
450885	4/13/2026	412-100-4370-00000	Janitorial Supplies- City-Wide	12.87	False
450885	4/13/2026	001-240-4370-00000	Janitorial Supplies- City-Wide	5.73	False
450885	4/13/2026	001-480-4370-00000	Janitorial Supplies- City-Wide	58.67	False
450885	4/13/2026	001-113-4370-00000	Janitorial Supplies- City-Wide	0.57	False
450885	4/13/2026	001-470-4370-00000	Janitorial Supplies- City-Wide	264.04	False
450885	4/13/2026	001-111-4370-00000	Janitorial Supplies- City-Wide	0.57	False
450885	4/13/2026	001-120-4370-00000	Janitorial Supplies- City-Wide	9.39	False
450885	4/13/2026	001-251-4370-00000	Janitorial Supplies- City-Wide	0.29	False
450885	4/13/2026	001-313-4370-00000	Janitorial Supplies- City-Wide	0.57	False
450885	4/13/2026	413-352-4370-00000	Janitorial Supplies- City-Wide	5.74	False
450885	4/13/2026	001-113-4370-00000	Janitorial Supplies- City-Wide	2.35	False
450885	4/13/2026	506-506-4370-00000	Janitorial Supplies- City-Wide	23.47	False
450885	4/13/2026	001-350-4370-00000	Janitorial Supplies- City-Wide	66.89	False
450885	4/13/2026	419-120-4370-00000	Janitorial Supplies- City-Wide	2.35	False
450885	4/13/2026	001-470-4370-00000	Janitorial Supplies- City-Wide	64.50	False
450885	4/13/2026	412-100-4370-00000	Janitorial Supplies- City-Wide	5.73	False
450885	4/13/2026	001-114-4370-00000	Janitorial Supplies- City-Wide	0.57	False
450885	4/13/2026	508-508-4370-00000	Janitorial Supplies- City-Wide	29.33	False
450885	4/13/2026	001-313-4370-00000	Janitorial Supplies- City-Wide	2.35	False
450885	4/13/2026	412-100-4370-00000	Janitorial Supplies- City-Wide	23.47	False
450885	4/13/2026	001-240-4370-00000	Janitorial Supplies- City-Wide	23.47	False
450885	4/13/2026	001-111-4370-00000	Janitorial Supplies- City-Wide	2.35	False
450885	4/13/2026	506-506-4370-00000	Janitorial Supplies- City-Wide	5.73	False
450885	4/13/2026	413-352-4370-00000	Janitorial Supplies- City-Wide	23.47	False
450885	4/13/2026	001-480-4370-00000	Janitorial Supplies- City-Wide	14.34	False
450885	4/13/2026	001-120-4370-00000	Janitorial Supplies- City-Wide	2.29	False
450885	4/13/2026	420-115-4370-00000	Janitorial Supplies- City-Wide	2.35	False
450885	4/13/2026	001-471-4370-00000	Janitorial Supplies- City-Wide	5.73	False
450885	4/13/2026	420-115-4370-00000	Janitorial Supplies- City-Wide	0.57	False
450885	4/13/2026	413-120-4370-00000	Janitorial Supplies- City-Wide	2.34	False
450885	4/13/2026	001-471-4370-00000	Janitorial Supplies- City-Wide	23.47	False
450885	4/13/2026	413-120-4370-00000	Janitorial Supplies- City-Wide	0.57	False
450885	4/13/2026	419-120-4370-00000	Janitorial Supplies- City-Wide	0.58	False
450885	4/13/2026	001-251-4370-00000	Janitorial Supplies- City-Wide	1.18	False
450885	4/13/2026	001-114-4370-00000	Janitorial Supplies- City-Wide	2.35	False
450885	4/13/2026	001-350-4370-00000	Janitorial Supplies- City-Wide	16.34	False
450885	4/13/2026	508-508-4370-00000	Janitorial Supplies- City-Wide	7.17	False
450886	4/13/2026	001-130-4550-00000	Legal support: 03/01-03/31/26	152.00	False
450886	4/13/2026	413-130-4550-00000	Legal support: 03/01-03/31/26	76.00	False
450886	4/13/2026	419-130-4550-00000	Legal support: 03/01-03/31/26	76.00	False

Check Numbe	Check Date	Acct 1	Description	Amount	Selected For Void
450887	4/13/2026	001-364-4350-10023	Electric parts.	385.32	False
450888	4/13/2026	412-100-4409-00000	FY26 - Reservation System: 03/01-03/31/26	1,159.70	False
450889	4/13/2026	001-470-4450-00000	FY26 Janitorial Service - (7) Public Restrooms- Mar '26	3,500.00	False
450889	4/13/2026	506-506-4450-00000	FY26 Janitorial Service - City Hall Mar '26	433.34	False
450889	4/13/2026	001-240-4450-00000	FY26 Janitorial Service -PD Mar '26	216.66	False
450890	4/13/2026	001-240-4393-0VIPS	4/20-4/24/26-Las Vegas Nat'l MUPS Conf -ADVANCE	277.35	False
450891	4/13/2026	001-313-4409-00000	FY26 Planning services - Task Order 22: Feb 2026	20,337.50	False
450891	4/13/2026	412-100-4799-COAST	Permits for Lighthouse Cove RV Park Additions: Feb 2026	615.00	False
450892	4/13/2026	508-508-4390-00000	Tires for #40	680.00	False
450893	4/13/2026	419-371-4550-00000	M. Cordova -D2 Certificate	80.00	False
450894	4/13/2026	001-240-4450-00000	Maintenance of copier at PD. 04/01-04/30/26	63.85	False
450895	4/13/2026	419-371-4390-00000	Sign	29.29	False
450895	4/13/2026	001-480-4390-00000	Sign	29.30	False
450896	4/13/2026	419-371-4340-00000	FY26 Sodium Hypochlorite	3,712.98	False
450896	4/13/2026	413-352-4340-00000	FY26 Sodium Hypochlorite	11,742.96	False
				584,638.53	



CITY OF CRESCENT CITY

MAYOR ISAIAH WRIGHT
COUNCIL MEMBER RAY ALTMAN
COUNCIL MEMBER STEVE SHAMBLIN

MAYOR PRO TEM CANDACE TINKLER
COUNCIL MEMBER JASON GREENOUGH

MINUTES
REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF CRESCENT CITY
FLYNN CENTER BOARD CHAMBERS
981 H STREET
CRESCENT CITY, CA 95531

MONDAY

APRIL 20, 2026

6:00 P.M.

OPEN SESSION

Call to order Mayor Wright called the meeting to order at 6:00 p.m.

Roll call Council Members present: Council Member Jason Greenough, Council Member Steve Shamblin, and Mayor Isaiah Wright
Council Member absent: Council Member Ray Altman and Mayor Pro Tem Candace Tinkler
Staff members present: City Manager Eric Wier, City Attorney Martha Rice, City Clerk/Administrative Analyst Robin Altman, IT/GIS Technician Taylor Patch, Economic Development and Grants Manager Bridget Lacey (via Zoom), Finance Director Linda Leaver (via Zoom), Public Works Director Dave Yeager, Recreation Director and Events Coordinator Kelly Feola, and Police Chief Richard Griffin

Pledge of Allegiance led by Mayor Wright

CEREMONIAL ITEMS - None

REPORTS AND PRESENTATIONS - None

PUBLIC COMMENT PERIOD

The following residents addressed the Council:

Linda Sutter: advised the Council she will be filing a temporary restraining order on the City Council tomorrow. She further stated that her request for a list of eligible parcels with names and addresses was denied and she only received pages of APNs.

Donna Westfall: reported on Measure Q that was on the ballot on 2016 which passed. CPRA how much did each letter cost along with a receipt.

Doug Dye: spoke about talking to City Manager Wier during a break about the construction on Battery Point Apartments being restarted in May. Asked the Council to place on the agenda for an update on Battery Point Apartments. Would like this topic to be discussed at each meeting.

Sam Strait: reported to the Council that the airport has a rate problem. The City's population has been decreasing, not increasing as has been said. Referenced people from LA coming here and can establish residency in 30 days and eligible voucher from Housing after a year.

Naomi Pena: spoke about the Basis of Design of the WWTP. That the population is increasing and the WWTP needs to be upgraded to accommodate. Did a search online and discovered you can build a brand new WWTP for \$60mil. Recommended moving the WWTP out of the tsunami zone.

Mark Bower: wants to see the RVs that park on the street be moved along and for the Council to adopt something to help CCPD enforce it.

Cate Classen: would like to see a no vote on the WWTP until more information has been received. Has not received a letter about the Prop 218. Does not want Crescent City urbanized. Would like grants to be sought after for trade schools.

Jody Mangum: received four Prop 218 notices and asked how many votes do they need to pass.

Roy Thompson: spoke about how many times the water/sewer rates have gone up. Asked the Council if they have to pay water and sewer.

Margaret Sargent: stated that San Francisco is directing what Crescent City does. Spoke about a rise in domestic violence cases as well as childrens' mental health reports since the trees were removed on Front Street. Need a 10-yr impact report. New sidewalks are pushing out the elk. Has a 5-yr report to assist with behavioral health.

Gregg Bianci: agrees with a rate increase to make sure the WWTP is maintained. Said that the County raised their water/sewer rates a year ago. Would like an outline to see where the money is going.

Gloria Carone: would like the RV Ordinance revised; a lot of the RVs have expired plates.

Mayor Wright asked about the Harbor shrimp processing creating an issue at the WWTP; City Manager Wier stated that was decades ago, but yes, it did create problems back then. The RBCs back then couldn't treat it effectively because of the shells, etc. Council Member Shamblin stated that the Planning Commission approved some sort of processing station a year ago; City Manager Wier stated that was for a filet station. City Manager Wier explained the Prop 218 duplicate notices. Because each property owner and each ratepayer received a notice both for water and sewer, if the property owner and ratepayer are the same person they could receive up to 4 notices (2 for water and 2 for sewer). Staff tried to remove duplicates, however, out of an abundance of caution, we only eliminated exact name matches. Council Member Greenough asked how many protests can be counted per parcel; City Manager Wier stated only one for each parcel.

Mayor Wright stated that all Council Members must live in the City limits and pay the same rates as everyone else.

CONSENT CALENDAR

1. Warrant Claims List

- *Recommendation: Receive and file the warrant claims list for the period March 21, 2026 through April 3, 2026.*

2. Council Minutes

- *Recommendation: Approve and adopt the April 6, 2026 minutes of the City Council of the City of Crescent City.*

3. Payroll Report

- *Recommendation: Receive and file the biweekly payroll reports for the period ending April 4, 2026 paid April 10, 2026.*

4. Letter of Support for Bigfoot Trail National Recreation Trail Designation

- *Recommendation: Approve a letter to Bigfoot Trail Alliance from the City Council endorsing the designation of the Bigfoot Trail as a National Recreation Trail*

5. Letter Requesting State to Fund Victim Services

- *Recommendation: Approve and authorize the Mayor to sign a letter requesting that the State fund victim services in the amount of \$100 million the next fiscal year*

6. Abandoned Vehicle Abatement Program Extension

- *Recommendation: Approve and adopt Resolution No. 2026-29, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AUTHORIZING THE EXTENSION OF THE ABANDONED VEHICLE ABATEMENT PROGRAM UNTIL MAY 1, 2037*

7. Increase to Maintenance Budget for the WWTP for Repairs Performed by Jacobs

- *Recommendation: Approve and adopt Resolution No. 2026-30, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2025-26 BUDGET OF THE CITY OF CRESCENT CITY*

Mayor Wright asked for item 4 to be pulled for discussion.

Sam Strait: stated that it seems the consent calendar continually gets longer. The Vehicle Abatement Program gets \$1 for each vehicle.

Donna Westfall: spoke on item 7; Asked if there were other quotes sought? Where does the \$40k for the repairs come from? Asked how much money has been lent to the General Fund since 2011 and repaid?

Margaret Sargent: stated there is a discrepancy in the numbers from the State for the WWTP. Would like the WWTP be moved to another location.

Naomi Pena: agrees with moving the WWTP and suggested a joint plant with the prison would solve a lot of problems.

Cate Classen: spoke about item 5; would like to get rid of victims and create prosperity instead of getting money from the State.

Jody Mangum: asked about the funding for victim services and what it's for. Asked if the maintenance budget was a monthly one?

On a motion by Council Member Greenough, seconded by Council Member Shamblin, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City adopted the consent calendar consisting of items 1-3 5-7 as presented.

Council Member Greenough stated that the Council agenda is distributed 72-hours in advance and encouraged the members of the public to read it before coming to the meeting to be better informed before asking questions.

Mike Splain from Bigfoot Trail Alliance encouraged the Council to support the trail designation.

Margaret Sargent: asked if the trail would be graveled.

On a motion by Council Member Greenough, seconded by Council Member Shamblin, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City adopted item 4 on the consent calendar as presented.

Chief Griffin stated that CCPD does research owners of vehicles prior to having them removed as abandoned vehicles.

PUBLIC HEARING - None

CONTINUING BUSINESS - None

NEW BUSINESS

8. Downtown Farmers Market Location

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve and authorize the City Manager to sign the Agreement with the Del Norte and Tribal Lands Community Food Council for a Downtown Farmers' Market Location*

City Manager Wier reported to the Council that the Del Norte and Tribal Lands have enjoyed using the Bank of America parking lot for the Farmers Market and would like to keep it there for now until a permanent location is decided on. The agreement has not changed from the original. Iya Mahan of Del Norte and Tribal Lands Community Food Council spoke about the Council and how the Farmers Market is really good for startup businesses. The goal is to encourage healthy eating and EBT is accepted at the Market. Council Member Greenough asked if the budget will include Bank of America being transformed into the new City Hall; City Manager Wier stated that a loan with USDA for that project, the monthly payment on that loan is not sustainable for the City.

Donna Westfall: loved the Farmers Market location at the Fairgrounds; suggested looking into having the Market at the Harbor.

Margaret Sargent: agrees with expanding the Farmers Market and suggested the location being at the Cultural Center.

Linda Sutter: hasn't been to the Farmers Market for a long time because there hasn't been any fresh vegetables.

Iya Mahan addressed the stated that there are two different Farmers Markets – The Community Artisans Market at the harbor and the Downtown Crescent City Farmers' Market on H Street.

Roy Thompson: spoke about water issues out on Maiden Lane.

Sam Strait: stated that the original location of the Market will be changed into a transit station. Eventually Bank of America will be City Hall and therefore a more appropriate place for a Market should be found. Would like this item tabled until a better location is chosen.

Cate Classen: encouraged the Council to be in support of food security.

Council Member Greenough stated he understood that the Food Council had a kitchen; Iya Mahan stated they are seeking to get one. Council Member Greenough stated that the artisan market held at the harbor is managed by Rural Human Services and questions and concerns should be given to them.

On a motion by Council Member Greenough, seconded by Council Member Shamblin, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City approved and authorized the City Manager to sign the Agreement with the Del Norte and Tribal Lands Community Food Council for a Downtown Farmers' Market Location

9. Letter of Support for Citizens' Dock Pier 2 Construction Project

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve a letter to U.S. Department of Transportation Maritime Administration in support of the Citizens' Dock Pier 2 Construction Project*

City Manager Wier reported that this item is to repair portions of Citizens Dock. Mike Bahr, of CSS, is working with the Harbor's application to the US Dept of Transportation Maritime Administration for grant funding. He went over the details of the project. The Council has written letters of support for this project in 2022 and 2024. Council Member Greenough asked if the Harbor is successful with the funding, what is the timeline. Mr. Bahr stated that the project would start early 2028.

Linda Sutter: the Harbor is near insolvency and is not in support of them receiving any money.

On a motion by Council Member Greenough, seconded by Council Member Shamblin, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City approved a letter to the U.S. Department of Transportation Maritime Administration in support of the Citizens' Dock Pier 2 Construction Project

10. Lighthouse Cove Apartment Remodel Budget Adjustment

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve and adopt Resolution No. 2026-31, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2025-26 BUDGET OF THE CITY OF CRESCENT CITY*
- *Approve the Plans and Specifications for the Lighthouse Cove RV Park Apartment Project*
- *Direct staff to publish a notice inviting bids for this project*

City Manager Wier stated that this item is an investment in the apartment at the RV Park. The project will be funded by a grant. Director Yeager went over the details of the construction of the project. Mayor Wright asked if spending extra money going to cause an issue with the grant; Director Yeager stated that cash flow is an issue. This project will only get paid through the RV Park Fund. Council Member Greenough stated he appreciated the project being done in phases to not impact the RV Park Enterprise Fund. Would like to see the Park eventually paved. Mayor Wright asked if the rent was fair; City Manager Wier stated that the nightly fee is extremely affordable. The rate does not include the cleaning fee, that will be on top of the daily rate. Council Member Greenough asked for a timeframe; Director Yeager stated it should be concluded by winter.

Cate Classen: City will be paying \$1 million to update the Park; would like to know if the money can be used instead for RVs that have nowhere to go. Wants the focus to be on residents, not visitors.

Sam Strait: rents vacation rentals several times a year. States that \$200 a night is not affordable for our community members.

Mark Bower: is offended that tax money is being used to compete against local businesses (vacation rentals).

Margaret Sargent: suggested blow-up slide for emergency evacuation for the apartment in case of a fire. Need to provide space for RVs with no place to go rather than new housing. Suggested allowing RVs to use plug ins on Front Street – maybe rent a spot? We need growth but fears the City is putting the horse before the cart.

Mayor Wright asked how long the City has owned the RV Park; City Manager Wier said the land was granted to the City back in the 60's and in the 70's the RV Park was built. In 2006, the City took over management of the Park. Mayor Wright asked for the 2x2 the look at the price for renting the cabins; City Manager Wier stated that yes, the 2x2 will convene to discuss. Council Member Shamblin asked if Mayor Wright felt like the rent was too high; Mayor Wright stated that Mr. Strait made a good point and he'd like to see the fee reviewed. Council Member Greenough asked about the TOT that would be received over the course of the year; City Manager Wier stated it would be approximately \$60k a year.

On a motion by Council Member Greenough, seconded by Council Member Shamblin, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City approved and adopted Resolution No. 2026-31, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2025-26 BUDGET OF THE CITY OF CRESCENT CITY and directed staff to publish a notice inviting bids for this project.

11. Letter of Support for SB 1216 (Cabaldon): Planning and Zoning Law, Housing Leadership Designation

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve and authorize the Mayor to sign a letter of support for SB 1216 (Cabaldon): Planning and Zoning Law, Housing Leadership Designation*

City Manager Wier reported to the Council that the Legislative Aide for Senator Cabaldon reached out for the City to issue a letter of support. With a Housing Leadership Designation, it gives the City more flexibility with State mandates. City Attorney Rice stated that this will help locally with having more control over the mandates. Council Member Greenough asked if the City qualifies for this definition; the Legislative Aide stated that Crescent City would. Council Member Shamblin did some research and did find that this would give more local control.

Sam Strait: said that it is reckless to send a letter of support for a bill that isn't understood by the Council. Advised the Council know more about the bill before offering a letter of support.

Margaret Sargent: agrees with Mr. Strait.

Doug Dye: disagrees with sending a letter of support.

Cate Classen: asked the Council to listen to the community. Stated that the City is addicted to grants and the community would like to stay rural.

Jody Mangum: spoke about the bill and what it entailed. This is a globalist agenda.

Council Member Greenough asked when the bill will be up for debate or when it will be completed; City Attorney Rice stated it is up for debate for tomorrow. Council Member Greenough stated that the item should be tabled until we know more about it. Mayor Wright agreed with Council Member Greenough to table the item. Council Member Shamblin agrees to table the item as well.

The Council was in consensus to table the item.

City Attorney Rice recommended the Council take action to direct staff to return with this item at a future agenda once the language is more certain.

On a motion by Mayor Wright, seconded by Council Member Greenough, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City directed staff to bring back the letter of support when the language of the bill is more certain.

12. OPC Grant Award Acceptance for Coastal Resiliency Plan

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Approve and adopt Resolution No. 2026-32, A RESOLUTION OF THE CITY OF CRESCENT CITY ACCEPTING THE GRANT AWARD FROM OCEAN PROTECTION COUNCIL FOR DEVELOPMENT OF SEA LEVEL RISE ADAPTATION PLANS IN COMPLIANCE WITH SB 272RE OPC GRANT APPLICATION – CRESCENT CITY COASTAL RESILIENCY STRATEGY*

SHN Contract Planner Bob Brown stated that the focus on this grant is for sea level rise. The State has mandated that the City do this, therefore it is either grant funding or through the General Fund. This would make the City eligible for future funds. City Manager Wier said that this award was through a collaboration with Tolowa Dee-ni' Nation. Council Member Greenough clarified that this is already mandated by the State and will be paid for by a grant to meet the State requirements.

Sam Strait: millions of dollars have been spent on preventing sea level rise. Wants the City to fight back against the State for being forced to do this.

Cate Classen: asked if this endeavor would help move the WWTP elsewhere.

Margaret Sargent: agrees with previous commenters. Said that San Francisco is not our friend.

Jody Mangum: spoke about back in 2007 the Tolowa built their WWTP first and that the City. Arcata is moving their WWTP off of the water.

Mayor Wright asked where the moving of the WWTP came into play; City Manager Wier stated that within this grant, they will be looking into the vulnerabilities and moving the Plant could be suggested. Mayor Wright asked about the discussions in 2000; City Manager Wier stated that although that was before his time with the City, he does know that at that time they were considering the MacNamara Peepe location. He further stated that it's not as easy to move the WWTP. A larger lift station would need to be built first in order to move the sewage to the Plant at the new location. He explained the complexities of moving the Plant and what it would require. To build a new Treatment Plant would cost over \$500 million. Council Member Shamblin stated that moving the Plant is being discussed for the future, however, the current plant needs to be maintained. Council Member Greenough asked what the consequences would be if we don't accept the grant; City Manager Wier stated that it may hold things up such as a Coastal Development Permit and it would have to be funded through the General Fund or the Sewer Fund.

On a motion by Council Member Greenough, seconded by Council Member Shamblin, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City approved and adopted Resolution No. 2026-32, A RESOLUTION OF THE CITY OF CRESCENT CITY ACCEPTING THE GRANT AWARD FROM OCEAN PROTECTION COUNCIL FOR DEVELOPMENT OF SEA LEVEL RISE ADAPTATION PLANS IN COMPLIANCE WITH SB 272RE OPC GRANT APPLICATION – CRESCENT CITY COASTAL RESILIENCY STRATEGY.

13. Military Equipment Use Policy

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Receive the Military Equipment Use 2025 Annual Report*
- *Waive full reading, read by title only and introduce Ordinance No. 864, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY CONFIRMING APPROVAL OF THE CCPD MILITARY EQUIPMENT USE POLICY*

Chief Griffin explained what equipment is categorized as military equipment. He detailed what has been changed from last year's report. Everything is within the budget.

Sam Strait: spoke in support of making sure Chief Griffin gets all of the tools needed for the job.

Doug Dye: spoke in support of funding the police and was encouraged that it was explained that the PD was not getting militarized.

On a motion by Council Member Greenough, seconded by Council Member Shamblin, and carried on a 3-0 polled vote with Council Member Altman and Mayor Pro Tem Tinkler being absent, the City Council of the City of Crescent City received the Military Equipment Use 2025 Annual Report

and waived full reading, read by title only and introduced Ordinance No. 864, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY CONFIRMING APPROVAL OF THE CCPD MILITARY EQUIPMENT USE POLICY.

CITY COUNCIL ITEMS

➤ **Reports, Concerns, Referrals, Council travel and training reports –**

Council Member Greenough: what would have to be done to be able to have processed shrimp go through our WWTP? Would like it on a future agenda; the Council was in consensus.

➤ **Legislative Matters – None**

Council Member Greenough excused himself from the meeting at 9:01 p.m. due to his employment.

➤ **City Manager Report and City Council Directives –** Kamome Festival was a great success

ADJOURNMENT

There being no further business to come before the Council, Mayor Wright adjourned the meeting at 9:03 to the special meeting of the City Council of the City of Crescent City on Thursday, April 23, 2026 at 4:30 p.m. at the Wastewater Treatment Facility, 210 Battery Street, Crescent City, CA 95531.

ATTEST:

Robin Altman, City Clerk/Administrative Analyst

City of Crescent City					
Biweekly Payroll Report					
Payroll Ending 04/18/2026					
Pay Date 04/24/2026					
Check Numbers: 111819-111829 (Plus Direct Deposits)					
Home Dept.	Regular Pay	Overtime	Gross Pay	Employees	Notes
City Council (110)	1,409.85	-	1,409.85	5	
Administration (111)	24,061.78	1,304.00	25,365.78	6	
Finance (120)	20,438.94	194.43	20,633.37	8	
City Attorney (130)	5,982.40	-	5,982.40	1	
Fire (230)	18,566.05	2,252.01	20,818.06	5	
Police (240)	53,188.25	3,551.66	56,739.91	16	
Planning (313)	814.80	-	814.80	1	
Public Works (350)	66,572.52	1,999.96	68,572.48	27	
Recreation (450)	5,604.80	-	5,604.80	2	
Swimming Pool (480)	17,165.47	889.83	18,055.30	23	
Housing (490)	12,247.12	-	12,247.12	4	
	226,051.98	10,191.89	236,243.87	98	
Payroll summarized above according to employees' home departments. Actual costs of employees are charged to department / fund where work was performed.					



CITY COUNCIL AGENDA REPORT

TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

**BY: BRIDGET LACEY, GRANTS AND ECONOMIC DEVELOPMENT
MANAGER**

DATE: MAY 4, 2026

**SUBJECT: OCEAN PROTECTION COUNCIL (OPC) GRANT – CREATION OF
SPECIAL REVENUE FUND AND BUDGET**

RECOMMENDATION

- Approve and adopt Resolution No. 2026-33, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY ESTABLISHING A NEW FUND FOR THE OCEAN PROTECTION COUNCIL GRANT AND CRESCENT CITY COASTAL RESILIENCY PLAN
- Approve and adopt Resolution No. 2026-34, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2025-26 BUDGET OF THE CITY OF CRESCENT CITY

BACKGROUND

On November 17, 2025, the City Council authorized City staff to submit a grant application to the Ocean Protection Council for Development of Sea Level Rise Adaptation Plans in Compliance with SB 272. On March 23, 2026, the Ocean Protection Council awarded the City \$320,911 in grant funds for the development of the Crescent City Coastal Resiliency Plan over a two-year period. On April 20, 2026, the City Council accepted the grant award.

SB 272 (Laird 2023) requires local governments to create sea-level rise (SLR) plans based on the best available science which include (1) conducting Vulnerability Assessments of coastal hazards exacerbated by SLR; and (2) developing Adaptation Plans with recommended projects that could result in reduced coastal hazards. SB 272 requires the results of these two plans to be part of the Coastal Commission's approved City Local Coastal Program (LCP) before 2034. State funding for project implementation is currently available to jurisdictions that have completed this process.

ANALYSIS

The City applied for and was awarded a grant under the 2025 OPC SB1 Sea Level Rise Adaptation Planning Grant Program Solicitation. The grant of \$320,911 will provide funding for the Crescent City Coastal Resiliency Plan and grant administration. The final Adaptation Plan will evaluate protection, accommodation, and retreat strategies with an emphasis on nature-based solutions, and establish adaptation pathways with clear triggers, a monitoring strategy, and a financing framework to guide future implementation. The project will culminate in an Administrative Draft LCP Policy and Implementation Document, including draft policy language and development standards that will position the City for a future LCP amendment and compliance with SB 272.

To begin the project, a new fund and budget must be established.

FISCAL ANALYSIS

Adoption of the attached budget resolution will authorize the revenue and expenditure for this grant award. There is no direct fiscal impact on the City. There is no match proposed/required for this grant and, while there are funds available to City staff to support this Project, SHN will be responsible for completing this Project.

STRATEGIC PLAN ANALYSIS

This report is consistent with the 2016 Strategic Plan Goal 3, ongoing priority to “Maintain responsible fiscal management and accountability.”

ATTACHMENTS

- Draft Resolution No. 2026-33 (new fund)
- Draft Resolution No. 2026-34 (budget amendment)

RESOLUTION NO. 2026-33

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY
ESTABLISHING A NEW FUND FOR THE OCEAN PROTECTION COUNCIL GRANT
AND CRESCENT CITY COASTAL RESILIENCY PLAN**

WHEREAS, the City of Crescent City has been awarded Ocean Protection Council (OPC) grant funds under the 2025 OPC SB1 Sea Level Rise Adaptation Planning Grant Program Solicitation; and

WHEREAS, OPC regulations require that this money be kept separate from other funding sources and has explicit restrictions as to its use.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AS FOLLOWS:

SECTION 1:

That the City of Crescent City establish a new fund for the 2025 OPC grant award and associated projects.

SECTION 2:

That this resolution shall take effect upon its adoption.

APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Crescent City held this 4th day of May 2026, by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Isaiah Wright, Mayor

ATTEST:

Robin Altman, City Clerk

RESOLUTION NO. 2026-34

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING
THE FISCAL YEAR 2025-26 BUDGET OF THE CITY OF CRESCENT CITY**

WHEREAS, the budget for the fiscal year beginning July 1, 2025 and ending June 30, 2026, as submitted by the City Manager, has been reviewed by the City Council and a duly noticed public hearing held thereon the 16th day of June 2025; and

WHEREAS, the City Council adopted said budget by way of Resolution No. 2025-24 and has the authority to amend said budget from time to time; and

WHEREAS, the City applied for and was awarded \$320,911 in OPC grant funding to complete the Crescent City Coastal Resiliency Plan; and

WHEREAS, a budget amendment is necessary to recognize this grant as revenue and authorize its expenditure.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
CRESCENT CITY AS FOLLOWS:**

1. That the Fiscal Year 2025-26 City of Crescent City Annual Budget is hereby amended and appropriated in the amounts identified below:

	Revenue Increase (Decrease)	Expenditure Increase (Decrease)
OPC Grant Fund	\$320,911	\$320,911

2. That any unused portion of these funds at the end of the fiscal year will automatically carry over to the next fiscal year until the funds are spent or the project is completed.

APPROVED and ADOPTED and made effective the same day at a meeting of the City Council of the City of Crescent City held on the 4th day of May 2026 by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Isaiah Wright, Mayor

ATTEST:

Robin Altman, City Clerk

CITY COUNCIL AGENDA REPORT



TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: RICHARD GRIFFIN, CHIEF OF POLICE

DATE: MAY 4, 2026

SUBJECT: PELICAN BAY STATE PRISON FIRING RANGE AGREEMENT

RECOMMENDATION

- Approve and authorize the City Manager to sign the Right of Entry Indemnification and License Agreement to Use Firing Range at Pelican Bay State Prison

BACKGROUND

For several years now there has been an existing agreement for the Crescent City Police Department (CCPD) to utilize the firing range at Pelican Bay State Prison (PBSP). This agreement was last updated in 2021. This agreement originally came at no cost to CCPD or Crescent City. The new agreement requires a one-time fee of \$400 to cover the administrative costs of preparing the contract.

ANALYSIS

The PBSP firing range includes a 25-yard pistol range and a 100-yard rifle range. Currently, CCPD is planning to conduct no less than four firearms trainings during the 2026 calendar year at the PBSP gun range. The firing range also has an indoor classroom facility with bathrooms that is included with the range agreement. CCPD has also conducted a 16-hour P.O.S.T Rifle course that is required of all law enforcement officers prior to them being allowed to carry a rifle on duty. CCPD has three P.O.S.T. Certified Firearms instructors in Sgt. Anthony Lopez, Sgt. Alex Pearson, and Chief Richard Griffin. CCPD also has two certified P.O.S.T classes that our instructors can teach, and officers will receive P.O.S.T. credit hours. CCPD will also be conducting Perishable Skills training and Less-Lethal Weapons training at the PBSP firing range.

The PBSP firing range is very well suited for the needs of CCPD. The PBSP firing range staff works hand in hand with CCPD staff to coordinate needed range times and anything else that may be needed. The ability to utilize the PBSP firing range will help save CCPD and the City of Crescent City money that would normally be spent on travel to other gun

ranges, and in turn allow CCPD to better utilize their training budget on more advanced officer trainings.

This contract would be in effect from April 15, 2026 to April 14, 2031, with the option to renew the contract at the end of the term.

FINANCIAL IMPACT

There is a cost of \$400 for the new agreement, which will be charged to the General Fund from the current approved department budget. There would, however, be a greater financial impact on CCPD and Crescent City if we chose not to continue this agreement and to seek other places to conduct our P.O.S.T. mandated training.

STRATEGIC PLAN ANALYSIS

This report meets the goals and objectives of Strategic Plan Goal 1 “Support quality services and community safety to enhance the lives of our citizens and visitors”, Subsection C. “Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States”.

ATTACHMENTS

1. Right of Entry Indemnification and License Agreement to Use Firing Range at Pelican Bay State Prison

RIGHT OF ENTRY INDEMNIFICATION AND LICENSE AGREEMENT FOR AUTHORIZATION TO USE FIRING RANGE AT PELICAN BAY STATE PRISON

This Temporary Right of Entry and License Agreement, hereinafter referred to as "License", dated for reference purposes only, April 8, 2026, by and between the State of California at the direction of the California Department of Corrections and Rehabilitation (CDCR), acting by and through the Director of the Department of General Services (DGS), hereinafter collectively referred to as "State", and Crescent City Police Department (CCPD) as "Licensees". State and Licensee may also be referred to as "Party" or "Parties".

RECITALS

WHEREAS, pursuant to Government Code section 14670 (a) (1), the DGS, with the consent of the CDCR, is authorized to let State real property for a period not to exceed five (5) years if the Director deems such letting is in the best interest of the State; and

WHEREAS, the CDCR has under its jurisdiction certain real property located at Pelican Bay State Prison (PBSP), further described as Del Norte County assessor parcel number (APN) 105-042-064-000; and

WHEREAS, Licensee is requesting temporary access, ingress, and egress, to the PBSP Firing Range (Range) located at 5905 Lake Earl Drive, Crescent City; and

WHEREAS, Licensee's officers or employees are defined in the California Penal Code section 830 and require continuing firearms education, which includes classroom education and training at an authorized range facility, to comply with California Penal Code section 832(a); and

WHEREAS, the State engages law enforcement entities for range use in exchange for certain services and equipment which allows the range operation to run efficiently while meeting necessary training needs; and

WHEREAS, Licensee desires to secure dates and times for law enforcement weapons training for its officers at the Range; and

WHEREAS, public safety is an essential mission for the State and Licensee, the Parties agree that this training is in the best interest of the State and the State has identified existing firing range capacity to enter into this License with Licensee; and

WHEREAS, Licensee's activities will be conducted in accordance with standard industry practices and in a prudent and careful manner.

WITNESSETH

NOW THEREFORE, IN CONSIDERATION of the mutual agreements by the Parties set forth herein and other good and valuable consideration contributing to public safety in the State, the Parties agree to the following terms and conditions:

1. **Grant of License** - The State hereby grants permission to Licensee, its qualified officers, employees, and representatives, to enter upon those lands within the PBSP Range, located at 5905 Lake Earl Drive, Crescent City, California, 95531, more specifically described in Exhibit "A" (Premises), attached herein and by this reference made a part hereof, for the purpose of ingress, egress and scheduled Range use intended for training and continuing education of law

enforcement personnel and for no other purposes whatsoever. Licensee's access onto said Premises shall be allowed by CDCR only upon the State's execution of this License.

2. **License Term** - This License shall commence on May 15, 2026 and expire without written notification on May 14, 2031 with such rights of renewal or termination as are hereinafter expressly set forth. Licensee shall have the option to renew the License upon expiration. Should Licensee desire to renew, the request for such renewal will be for an additional five (5) year term and should be made within one hundred twenty (120) days of the expiration date hereof by written notification to the Range Master. Nothing precludes the Licensee from making their renewal request earlier than one hundred twenty (120) days.

3. **Holding Over** - Any holding over by Licensee after expiration or termination shall not be considered a renewal or extension of this License. The use of the Premises after the expiration or termination of this License shall constitute a week-to-week use, and all other terms and conditions of this License shall continue in full force and effect; provided however, that said hold over tenancy shall be subject to and at the State's sole discretion.

4. **Termination** - The Parties hereto agree that either Party may terminate this License at any time during the term hereof by giving notice to the other in writing at least thirty (30) days prior to the date when such termination shall become effective. Any willful violation of the License terms or the PBSP Firing Range Rules and Regulations shall be grounds for termination of this License and removal of Licensee with the exception that if such violation is curable, the State shall give Licensee notice of such violation and Licensee shall be granted a period of ten (10) calendar days to cure such violation prior to any such termination. If Licensee fails to cure the specified violation, termination and removal shall be permitted pursuant to this section.

5. **Use** - Licensee's use is permitted for the express purpose of conducting classroom and hands-on weapons training which is more particularly described in Exhibit "B" (Training Curriculum) attached herein and by this reference made a part hereof. Exhibit "B" shall be submitted to and approved by the Range Master prior to entry. Training coordination and scheduling is more particularly described in Exhibit "C" (Scheduling) attached herein and by reference made a part hereof. Weapons training requires the use of special equipment, including firearms, ammunition, and protective gear which is more particularly described in Exhibit "D" (Equipment), attached herein and by this reference made a part hereof. Exhibit "D" shall be submitted to and approved by the Range Master prior to entry. Licensee and its qualified officers shall use only that equipment identified in Exhibit "D" unless the Equipment list is amended in writing and agreed to by both Parties.

6. **Conduct During Use** - The Licensee agrees to follow the PBSP Firing Range General Rules and Regulations, identified as Exhibit "E" (Rules and Regulations), attached herein and by reference made a part hereof.

7. **Administrative Fee** - An Administrative Fee will be due and payable upon receipt of this License draft in the amount of **FOUR HUNDRED AND 00/100 DOLLARS (\$400)** for the preparation of this document by the Department of General Services payable to DGS and sent to:

Department of General Services
RESO SOLD Attn: Rick Haycock
707 3rd Street, 5th Floor
West Sacramento, CA 95605

8. **Medical** - Licensee shall take all necessary and reasonable safety precautions and shall comply with all applicable laws pertaining to the safety of personnel and real and personal property at or on the Premises. Licensee shall immediately report to the onsite Range Master any death, injury, or property damage that occurs within PBSP. Any emergency medical or surgical care of Licensee's officers or employees required, as a result of range use, will be the sole responsibility of Licensee. As used herein, this section is intended to mean that Licensee shall be liable for any and all medical and/or surgical care costs for Licensee's employees, its qualified officers and representatives served by this License.

9. **Subordination** - This License is subject to existing contracts, leases, licenses, encumbrances and claims, which may affect said property. This License is subordinate to all existing prior and/or future rights and obligations of the State, except that the State shall grant no rights inconsistent with the reasonable exercise by Licensee of its rights under this License unless warranted by the direction of the State's Governor, CDCR Secretary, Director of DGS, or the State's Public Works Board.

10. **Licensee Responsibility** - This License is granted to Licensee and its qualified officers, employees, and representatives, to enter upon the Premises at their sole cost and expense. Licensee is solely responsible for the safety and conduct of persons entering upon the Premises to exercise the rights under this License. Licensee is solely responsible for the protection of all persons, property, materials, tools, equipment, and supplies brought on to the Premises. Licensee agrees to keep and maintain the Premises in a clean and orderly condition at all times during their use. Licensee further agrees to remove all of its personal property and return the Premises to its pre-use condition upon completion of training exercises and conclusion of Licensee's activities on the Premises. Licensee agrees to comply with, and ensure all persons/participants under their jurisdiction comply with, any and all direction and policy implemented by the Range Master for use of the range.

11. **Waiver** - If the State waives the performance of any term, covenant or condition contained in this License, such waiver shall not be deemed to be a waiver of that or any subsequent term, covenant, or condition. Failure by State to enforce any of the terms, covenants, or conditions of this License for any length of time shall not be deemed to waive or decrease State's right to insist thereafter upon strict performance by Licensee. Waiver by State of any term, covenant, or condition contained in this License may only be made by a written document properly signed by an authorized State representative.

12. **Compliance with Laws** - Licensee shall conduct all activities in compliance with all Federal, State, and Municipal statutes and ordinances, and will comply with all regulations and orders as such exist during the term of this License. Licensee agrees to require in its contract(s) with its subcontractor(s) that the subcontractor(s) be obligated to Licensee in the same manner and extent, as Licensee owes to the State, under this License.

13. **Prohibited Items** - Exhibit "F" (CDCR Regulations and Conduct) attached herein and by reference made a part hereof; no article or material, which the CDCR considers contraband, shall be brought onto the premises with the exception of those items listed in Exhibit "D", which include weapons, munitions and protective gear. CDCR prohibited contraband includes, but is not limited to cell phones, alcoholic beverages, narcotics, firearms, explosives, edged weapons, restricted and/or controlled substances, or wagering and gambling paraphernalia. Smoking, tobacco use, including vaping, is strictly prohibited at PBSP. Any willful violation of regulations and conduct or the terms of this License shall be grounds for immediate termination of the License and removal of the Licensee and its representatives. Nothing in this paragraph is intended to limit law

enforcement personnel, who are authorized by law, to carry a firearm or communication devices such as cell phones in the scope of their duties, from possessing a firearm on the Premises. Nothing in this section is intended to prohibit possession of a cell phone for Licensee's purposes by law enforcement personnel while on the Premises.

14. **Property Rights** - Licensee understands this License does not convey any interest in real property. There are no expressed or implied terms that would induce the Licensee into thinking that this temporary approval to enter the Premises for training conveys any real property interest whatsoever.

15. **Assignment, Subletting and Change in Use** - Licensee shall not transfer or assign this License, and shall not sublet, license, permit or suffer any use of the premises or any part thereof, and will not permit the use of the Premises by anyone other than the Licensee.

16. **Spectator Waiver** - To the extent that Licensee provides access to a non-participating officer or employee, Licensee guarantees said Spectator shall indemnify State and complete Exhibit "G", (Spectator Waiver and Release of Liability, Assumption of Risk, Covenant Not to Sue and Indemnity Agreement) attached herein and by reference made a part hereof.

17. **Insurance** - Prior to or at License execution Licensee shall furnish to the State a Certificate of Insurance, along with all License endorsements, identifying the State as Certificate Holder on the face of said certificate or endorsements with evidence of insurance as follows:

a) **Commercial General Liability**: Licensee shall maintain general liability coverage with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate annually for bodily injury and property damage liability combined and fire legal liability of at least \$500,000. The policy shall include coverage for liabilities arising out of Premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. The policy must include State of California, and its officers, agents and employees as additional insureds, but only to the extent as the operations under the License are concerned. The additional insured endorsement must be provided with the certificate of insurance.

b) **Automobile Liability**: Licensee shall maintain motor vehicle liability with limits of not less than \$1,000,000 per accident for bodily injury and property damage. The State of California and DGS are to be additional insureds with respect to liability arising out of all vehicles owned, hired and non-owned. The additional insured endorsement must be provided with the certificate of insurance.

c) **Workers Compensation**: Licensee shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the License, including special coverage extensions where applicable. Employer's liability limits of \$1,000,000 shall be required, and the coverage shall include a waiver of subrogation in favor of the State of California. The waiver of subrogation endorsement must be provided with the Certificate of Insurance.

d) **General Requirements**: Licensee shall ensure that the following general requirements are met:

i) Insurance companies must be acceptable to DGS, and the Office of Risk and Insurance Management.

ii) Coverage needs to be current for complete term of this License. If insurance expires during the term of the License, a new certificate must be received by the State within thirty (30) days of the expiration date of the existing License. This new insurance must still meet the terms of the original contract.

iii) Licensee shall notify the State within five (5) business days of Licensee's receipt of any notice of cancellation or non-renewal of any insurance required by this License.

iv) Licensee is responsible for any deductible or self-insured retention contained within the insurance program.

v) In the event Licensee fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this License upon the occurrence of such event, subject to the provisions of this License.

vi) Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by the State.

vii) It is agreed that the State shall not be liable for the payment of any premiums or assessments on the required insurance coverage.

18. **Self-Insured** - As indicated in Exhibit "H" (Certificate of Self-Insurance Coverage), attached herein and by reference made a part hereof, Licensee is self-insured. If Licensee is self-insured in whole, or in part as to any of the above-described types and levels of coverage, Licensee shall provide the State with written acknowledgment of this fact upon execution of this License. The State may require financial information to justify Licensee's self-insured status. If, at any time after the execution of this License, Licensee abandons its self-insured status Licensee shall immediately notify the State of this fact and shall comply with all of the terms and conditions of the Insurance Clause pertaining to policies of insurance in regard to those types and levels of insurance.

19. **Rights Reserved by State** - The following rights are reserved by the State: (i) State reserves the right to use the Premises in any manner, including but not limited to the right to construct, place, maintain, use, operate, repair, replace, alter and move pipelines, conduits, culverts, ducts, fences, poles, electrical energy, power and communication lines, roads, bridges, subways, sidewalks, to grant easements over, across, upon and under said real property and the continuous right of ingress to and egress from any portion or portions of said Premises in such manner as not to create any unreasonable interference with the exercise of the rights granted to Licensee; (ii) Any grant herein contained is subject to all valid and existing contracts, leases, licenses, easements, encumbrances and claims of title which may affect said Premises.

20. **Licensee Continuing Liability** - The obligations of Licensee to indemnify the State shall survive the termination of this License. No termination of this License shall release Licensee from any liability or obligations hereunder resulting from any acts, omissions, or events happening prior to the termination of this License and restoration of the Premises to its prior condition.

21. **Recovery of Legal Fees and Costs** - In the event of a dispute between the Parties with respect to the terms of condition of this License, the prevailing Party shall be entitled to collect from the other Party its reasonable attorneys' fees and costs as established by the judge or arbitrator presiding over such dispute.

22. **Governing Law** - This contract shall be governed by and interpreted in accordance with the laws of the State of California, excluding such State's conflict of law principles. Venue for any action to enforce this license shall be in Sacramento, California.

23. **Compliance with Executive Order N-6-22, Russia Sanctions** - On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the United States government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. By execution of this License, Licensee represents that it is not a target of Economic Sanctions. Should the State determine Licensee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, any time prior to contract execution, or, if determined after contract execution, shall be grounds for termination by the State.

24. **Notices** - All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered (including by means of professional messenger service), or sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below. All such notices or other communications shall be deemed received upon the earlier of (1) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notice, (2) if mailed as provided above, on the date of receipt or rejection, or (3) if given by electronic mail (email), when received by the other Party if received Monday through Friday between 6:00 AM and 5:00 PM Pacific Standard Time, so long as such day is not a State or Federal holiday and otherwise on the next day provided that if the next day is Saturday, Sunday or a State or Federal holiday, such notice shall be effective on the following business day:

TO: California Department of Corrections & Rehabilitation
Capital Planning and Project Services Branch
9838 Old Placerville Road, Suite B Sacramento, CA 95827
ATTN: Planning and Real Estate Services

TO: Pelican Bay State Prison
5905 Lake Earl Drive,
Crescent City, CA 95531
ATTN: Range Master

TO: Crescent City Police Department
686 G Street,
Crescent City, CA 95534
ATTN: Richard Griffin

25. **Indemnification** - Licensee shall defend, indemnify and hold harmless the State and its agencies, departments, directors, officers, employees, representatives and agents from and against all allegations, claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, penalties, fines, costs and expenses (including, but not limited to attorney fees and costs) arising out of, relating to, resulting from or in connection with the use of the Premises under this License, except for injuries and damages caused by the sole negligence or willful misconduct of the State.

26. **Partnership Disclaimer** - Licensee, its agents and employees shall act in an independent capacity and not as officers or employees of State. Nothing herein contained will be construed as constituting the parties herein as partners.

27. **Entire License** - This License contains the entire agreement of the Parties regarding the License upon the Premises and supersedes any prior License, agreement, or negotiations. The Parties acknowledge that there have been no representations by the State or understandings made between the State and Licensee regarding License other than those set forth in this License. State makes no additional disclosures or promises other than those expressly made in this License. This License may not be modified except by a written instrument duly executed by the Parties hereto.

28. **Section Headings** - All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this license.

29. **Counterparts** - This license may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

30. **Signatories** - The signatories to this License herein represent they have the requisite legal authority to bind the Parties to the terms of this license.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this License by their duly authorized representatives.

APPROVED:

STATE OF CALIFORNIA

DIRECTOR OF DEPARTMENT OF GENERAL SERVICES

[Stamp and sign here]

By: _____

TREVOR JOHNSON

Assistant Chief

State Owned Leasing and Development

Date Executed

CRESCENT CITY POLICE DEPARTMENT

By: _____

RICHARD GRIFFIN

Police Chief

Date _____

CITY OF CRESCENT CITY

By: _____

ERIC WEIR

City Manager

Date _____

CONSENT OF:

CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

By:  _____
Signed by:
6A0C31D2D87847E...

MICHAEL POTTER

Associate Director

Capital Planning and Project Services

Facility Planning, Construction and Management

California Department of Corrections and Rehabilitation

Date 4/29/2026

EXHIBIT A
PREMISES

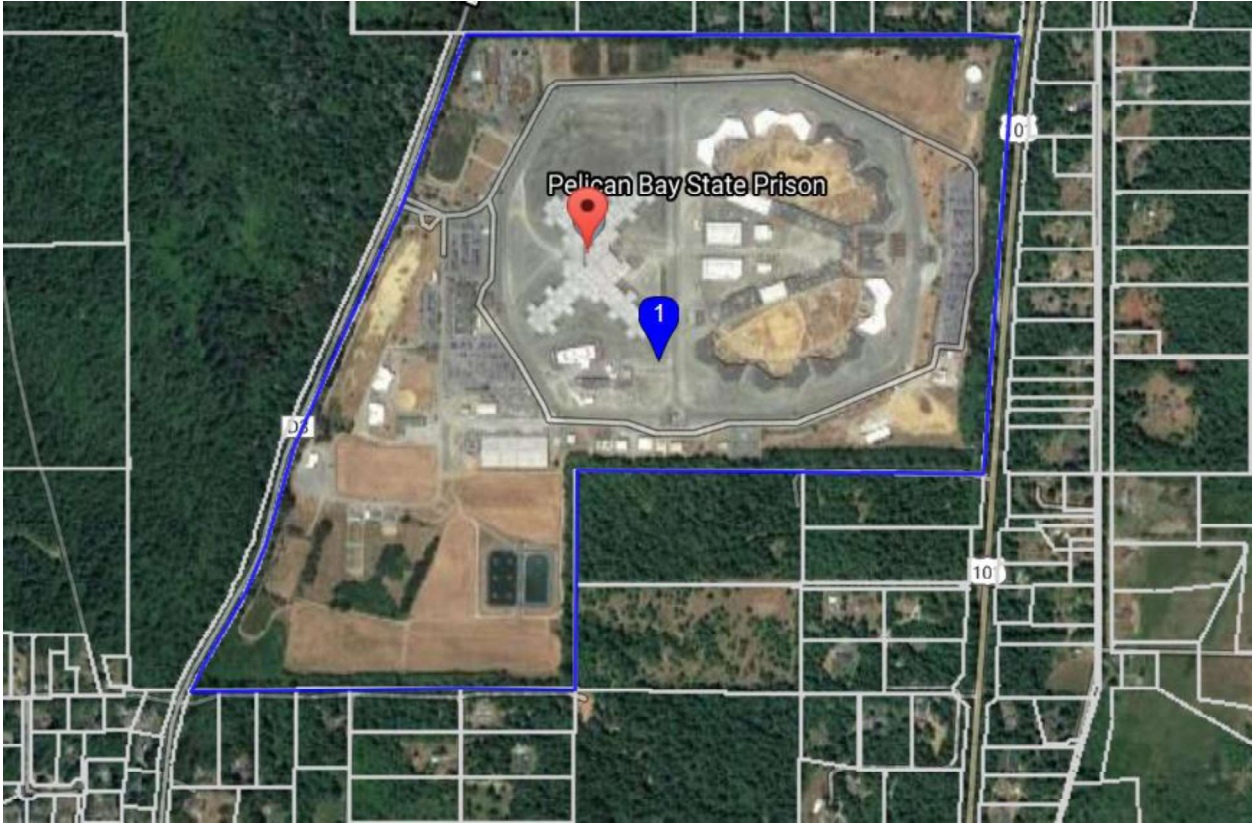




EXHIBIT B
TRAINING CURRICULUM

To be provided to the Range Master or designee upon approval of schedule; prior to entry.

EXHIBIT C
SCHEDULING

PBSP Armory Sergeant or designee is responsible for coordinating all firing range scheduling; schedule reservations can be reached at 707-465-1000 extension 7550. The PBSP range times are as follows:

- Daylight time: 0600 to 1700 hours.
- Night qualification (depending on season): 1700 to 2100 hours.

LICENSEE shall receive range dates and availability from Sergeant or designee two weeks in advance of training dates.

EXHIBIT D
EQUIPMENT

To be provided to the Range Master or designee upon approval of schedule; prior to entry.

EXHIBIT E
PELICAN BAY STATE PRISON FIRING RANGE GENERAL RULES AND
REGULATIONS

Range Safety

1. All incidents or unusual occurrences must be reported to the PBSP Watch Commander at extension 5555 and the PBSP Armory/Range Sergeant at 707-465-1000 ext. 7550. All medical emergencies can be reported by utilizing the telephone system in the classroom by dialing 222 and or 5500, PBSP's Fire Department (**No inmates will respond to any medical emergency at the range**). All range related incidents/accidents must also be reported to the Armory/Range Sergeant. Per Departmental policy, the licensee will be required to complete a CDCR 837-C Crime/Incident Report, Part C documenting the incident/accident.
2. No weapons or ammunition of any sort will be permitted on the range when inmates are present.
3. All Agencies must create an emergency medical plan annually; the plan must be reviewed and approved by PBSP Range-Master or designee.
4. Chemical agents are not authorized unless prior approval has been received by the IST Manager via the PBSP Range-Master or designee. No Hazardous materials shall be stored at the range, unless they meet the standards of CAL OSHA/ACA STANDARDS and there is the MSDS on site, perpetual inventory utilized and stored in a flammable locker.

Accountability and Cleanliness

1. Treat all firearms as though they are loaded. Never give a firearm to, or take a firearm from anyone unless the cylinder or action is open. Physically and visually, inspect the weapon to ensure the firearm is unloaded. (If the cylinder or action is closed, the firearm is to be considered loaded and dangerous).
2. Never point a firearm at anyone or anything that you do not intend to shoot or destroy.
3. Never place your finger on the trigger until you are ready to fire. Always ensure that your sights or muzzle is on target and you have made the decision to fire.
4. Always be sure of the target and what is beyond it before firing the firearm.
5. Any person on the range can call for a cease-fire. This is an "Echo Command." **The order must be repeated loudly and obeyed immediately by all shooters.**
6. Pay strict attention to the Range master and follow his/her orders promptly and to the letter, and never anticipate a command on the range.
7. Do not handle or manipulate any firearm (handguns remain in the holster) until instructed or cleared to handle by the Range master. Dry firing is permissible only when given the command to do so by the Range master.
8. Never stand on or near the firing line without safeguarding your hearing and eyesight by using ear and eye protection.
9. Be sure there are no obstructions in the barrel of a firearm before loading.
10. Load your firearm only when given the command to do so by the Range master.
11. Never fire obsolete or damaged ammunition.
12. Keep an un-holstered firearm pointed down range in the direction of your target at all times.
13. In case of a misfire/malfunction, keep the firearm pointed down range in the direction of your target. Never fire a succeeding round when either ammunition or firearm has malfunctioned. Raise your support hand and wait or summon assistance.
14. Never lower the muzzle of any firearm at less than a 45-degree angle to the target except when holstering or in an approved "Ready" position and only when instructed during a course of fire. Never raise the muzzle of any firearm above your target. Never shoot outside of the left and right lateral limits of the range.

15. Do not bend over and pick up anything you may drop while on the firing line. Raise your support hand and wait or summon assistance. Never turn around on the firing line unless directed by the Range master.
16. Never go in front of the line of fire until the Range master has cleared the firing line and the command is given to go forward. **This is an “Echo Command” and “Down Range” is repeated loudly by all shooters.**
17. Absolutely no running while at the range.
18. Absolutely no smoking, eating, drinking, or talking on the firing line.
19. No attire will be removed or discarded on the firing line. (Hats, coats, glasses, etc.)
20. All live rounds must be turned into the Range Training Staff upon completion of the range training, prior to leaving the range area.

EXHIBIT E
CDCR REGULATIONS AND CONDUCT

STATE OF CALIFORNIA

DEPARTMENT OF CORRECTIONS AND REHABILITATION

EXHIBIT F**CDCR REGULATIONS AND CONDUCT**

Lessees, Licensees, Promoters, Contractors, and their agent(s), employee(s), volunteer(s), invitee(s), and subcontractor(s), non-Department employees and their agent(s), employee(s), volunteer(s) and invitee(s) who are not employed by the California Department of Corrections and Rehabilitation (CDCR), hereinafter collectively referred to as NON CDCR PARTIES, but are working, accessing, or parking within proximity to incarcerated individuals and wards housed at CDCR properties, institutions, facilities, or camps, hereinafter collectively referred to as CDCR PREMISES, agree to comply with the following laws, rules, and regulations governing behavior and conduct while on CDCR PREMISES.

NON CDCR PARTIES shall be aware of and comply with all Federal and State statutes, rules, regulations, and CDCR policies and directives (CDCR Policies) applicable to the agreement. CDCR policies shall include, but are not limited to the Department Operations Manual (DOM), California Code of Regulations title 15, any policy memoranda issued by the CDCR Secretary or jointly with the Receiver, California Correctional Health Care Services (CCHCS), and any similar department-wide guidance that may be issued by proper authority, of which the NON CDCR PARTIES has been informed by CDCR or has been published on the CDCR public internet web site, CDCR.ca.gov.

CONDUCT AND FAILURE TO COMPLY

NON CDCR PARTIES who are working in and around incarcerated individuals or wards who are housed within CDCR PREMISES are to be apprised of the laws, rules and regulations governing conduct in associating with incarcerated individuals or wards.

NON CDCR PARTIES agree that if the provisions of the agreement require NON CDCR PARTIES to enter CDCR PREMISES, NON CDCR PARTIES shall be made aware of and shall abide by the following laws, rules and regulations governing conduct in associating with incarcerated individuals or wards.

CDCR Form 181 is attached to this Exhibit as "Attachment I" and is incorporated by this reference. All NON CDCR PARTIES working, accessing, or parking at CDCR PREMISES must review and sign CDCR Form 181 to confirm understanding of all laws, rules, and regulations governing their conduct and behavior. Failure to comply with all these laws, rules, and regulations may lead to expulsion from CDCR PREMISES.

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STATE OF CALIFORNIA

DEPARTMENT OF CORRECTIONS AND REHABILITATION

PRISON RAPE ELIMINATION POLICY (PREA)

CDCR maintains a zero tolerance for sexual misconduct on CDCR PREMISES. All sexual misconduct is strictly prohibited.

CDCR is committed to providing a safe, humane, secure environment, free from sexual misconduct. This will be accomplished by maintaining a program to ensure education, prevention, detection, response, investigation, and tracking of sexual misconduct and to address successful community re-entry of the victim.

All NON CDCR PARTIES are required to comply with the Prison Rape Elimination Policy (PREA) as described in Department Operations Manual, Chapter 5, Article 44. If NON CDCR PARTIES are providing services for the confinement of CDCR's incarcerated individuals or wards, NON CDCR PARTIES are required to adopt and comply with the PREA standards, 28 Code of Federal Regulations (CFR), Chapter 1, Part 115 and with CDCR's Department Operations Manual, Chapter 5, Article 44, including updates to this policy. This will include CDCR staff and outside audit personnel (who also conduct PREA audits of state prisons) conducting audits to ensure compliance with PREA standards.

NON CDCR PARTIES shall not assign NON CDCR PARTIES to a CDCR PREMISES or assign NON CDCR PARTIES duties if those parties will have contact with incarcerated individuals or wards, if those parties have 1) engaged in sexual abuse in a prison, jail, lockup, community confinement facility, juvenile facility, or other institution (as defined in 42 U.S.C. 1997); 2) been convicted of engaging or attempting to engage in sexual activity in the community facilitated by force, overt or implied threats of force, or coercion, or if the victim did not consent or was unable to consent or refuse; or 3) has been civilly or administratively adjudicated to have engaged in the activity described in this section.

NON CDCR PARTIES shall conduct a criminal background records check for each NON CDCR PARTY who will have contact with CDCR incarcerated individuals or wards and retain the results for audit purposes. By signing this Lease, License, Agreement, or Contract, the NON CDCR PARTIES agree to comply with all of the mandates of this Prison Rape Elimination Policy Section. Material omissions by the NON CDCR PARTIES regarding such misconduct or the provision of materially false information shall be grounds for removal from CDCR PREMISES and subject to potential legal action.

NON CDCR PARTIES, who have contact with incarcerated individuals or wards, shall be provided training via the Exhibit titled; "PRISON RAPE ELIMINATION POLICY, Volunteer/Contractor Informational Sheet" to learn their responsibilities under the agency's sexual abuse and sexual harassment prevention, detection, and response policies and procedures. A copy of this signed informational sheet will be provided to the CDCR PREMISES before a NON CDCR PARTY may have contact with incarcerated individuals or wards.

Any NON CDCR PARTIES who appear to have engaged in sexual misconduct of an incarcerated individual or ward shall be prohibited from contact with incarcerated individuals and wards and shall be subject to administrative and criminal investigation. Referral shall be made to the District Attorney unless the activity was clearly not criminal. Reportable information shall be sent to relevant licensing bodies.

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STATE OF CALIFORNIA**DEPARTMENT OF CORRECTIONS AND REHABILITATION****HEALTH, SAFETY AND SECURITY REGULATIONS****GATE CLEARANCE**

NON CDCR PARTIES are required to complete a Request for Gate Clearance to enter the CDCR PREMISES a minimum of ten (10) business days prior to commencement of service. All NON CDCR PARTIES must be cleared prior to providing services. The Request for Gate Clearance must include the person's full legal name, social security number, valid state driver's license number or state identification card number, and date of birth. Information shall be submitted to the Business Services Office contact or his or her designee. CDCR uses the Request for Gate Clearance to run a California Law Enforcement Telecommunication System (CLETS) check. The check will include Department of Motor Vehicles check, Wants and Warrants check, and Criminal History check.

Gate clearance may be denied for the following reasons: individual's presence in CDCR PREMISES presents a serious threat to security; individual has been charged with a serious crime committed on institution property; inadequate information is available to establish positive identity of prospective individual; or individual has deliberately falsified his or her identity.

All persons (CDCR employees and NON CDCR PARTIES) entering the facility must have a valid state driver's license or photo identification card on their person.

INGRESS/EGRESS

Excepting situations where alternate access has been granted by written agreement with CDCR, and unless otherwise directed by the entrance gate officer or Business Services Manager, NON CDCR PARTIES shall enter and exit through the ingress and egress points identified in the "Site Plan Exhibits" of this agreement. In all instances NON CDCR PARTIES shall remove keys from the vehicle ignition when not seated in the vehicle. Unattended vehicles shall be locked and secured at all times while on CDCR PREMISES.

EQUIPMENT SECURITY

If any state-owned and non-state-owned equipment is used by NON CDCR PARTIES for the provision of contract services, the equipment shall be rendered temporarily inoperative when not in use, by locking or other means unless specified otherwise.

FIRE LIFE SAFETY

In order to maintain CDCR PREMISES safety and security, periodic fire prevention inspections and site searches may become necessary and NON CDCR PARTIES must furnish keys to CDCR PREMISES authorities to access all locked areas at the CDCR PREMISES. The State shall in no way be responsible for NON CDCR PARTIES loss due to fire.

TOBACCO-FREE ENVIRONMENT

Pursuant to Penal Code section 5030.1, the use of tobacco products by any person on CDCR PREMISES is prohibited.

ELECTRONIC DEVICES

Electronic and communicative devices such as pagers, cell phones, and cameras or micro cameras are not permitted on CDCR PREMISES.

INTERFERENCE WITH OPERATIONS

NON CDCR PARTIES shall not cause undue interference with the operations of the CDCR PREMISES.

PICKETING

No picketing is allowed on State property.

STATE OF CALIFORNIA**DEPARTMENT OF CORRECTIONS AND REHABILITATION****SECURITY DRIVEN DELAYS**

Due to security procedures, NON CDCR PARTIES may be delayed at any time at the CDCR PREMISES vehicle or pedestrian gates and sally ports. Any loss of time checking in or out of the CDCR PREMISES gates and sally ports shall be borne by NON CDCR PARTIES.

CLOTHING RESTRICTIONS

While on CDCR PREMISES, NON CDCR PARTIES shall be professionally and appropriately dressed in clothing distinct from that worn by incarcerated individuals or wards. Specifically, blue denim pants; blue chambray shirts; orange, red, yellow, white, and chartreuse jumpsuits; and yellow rainwear shall not be worn onto CDCR PREMISES, as this is incarcerated individual or ward attire. NON CDCR PARTIES should contact the CDCR PREMISES regarding clothing restrictions prior to requiring access to the CDCR PREMISES to assure NON CDCR PARTIES are in compliance.

UNDER THE INFLUENCE

CDCR and NON CDCR PARTIES must not come upon the grounds of CDCR PREMISES or otherwise report for duty or conduct their job under the influence of intoxicants or drugs. Use of alcohol or drugs on CDCR PREMISES may result in dismissal from service and termination of this Agreement.

CDCR PREMISES AUTHORITY

NON CDCR PARTIES shall observe all security rules and regulations and comply with all instructions given by CDCR PREMISES authorities.

TUBERCULOSIS (TB) TESTING

In the event that the services required under this Agreement will be performed within CDCR PREMISES, NON CDCR PARTIES who are assigned to work with, near, or around incarcerated individuals or wards shall be required to be examined and tested or medically evaluated by a licensed healthcare provider for TB in an infectious or contagious stage prior to the performance of contracted duties, and at least once a year thereafter (within 12-months of their initial or previous TB test under this Agreement), or more often as directed by CDCR. NON CDCR PARTIES who have any contact (physical or nonphysical) with incarcerated individuals or wards, shall be required to furnish to the CDCR Program or institution Contract Manager, at no cost to CDCR, a documented TB evaluation or test for TB infection via Tuberculin Skin Test (TST) or a blood test Interferon Gamma Release Assay (IGRA) completed within (30) thirty-days prior to the start date of the services and certified to be free of TB in an infectious or contagious stage by a licensed healthcare provider prior to assuming their contracted duties and annually thereafter.

COMMUNICABLE DISEASES LIABILITY

Neither the State nor any State employee will be liable to NON CDCR PARTIES for any injuries caused by exposure to any blood borne pathogens, aerosol transmissible diseases, or communicable diseases. NON CDCR PARTIES agree that they shall comply fully with all applicable Cal/OSHA regulations concerning protection of NON CDCR PARTIES from diseases; including California Code of Regulations, title 8, sections 5193 (Blood Borne Pathogens) and 5199 (Aerosol Transmissible Diseases). NON CDCR PARTIES agree to indemnify, defend, and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any of the NON CDCR PARTIES arising out of exposure to any blood borne pathogen, aerosol transmissible disease, or communicable disease during the NON CDCR PARTIES' performance of the agreement.

[END]

**PRIMARY LAWS, RULES, AND REGULATIONS REGARDING
CONDUCT AND ASSOCIATION WITH STATE PRISON INMATES**

CDCR 181 (Rev.10/14)

Individuals who are not employees of the California Department of Corrections and Rehabilitation (CDCR), but who are working in and around inmates who are incarcerated within California's institutions/facilities or camps, are to be apprised of the laws, rules and regulations governing conduct in associating with prison inmates, Title 15, Section 3285. The following is a summation of pertinent information when individuals not employed by the department (volunteers, media, contractors and their employees and dignitaries) come in contact with prison inmates.

1. Persons who are not employed by CDCR, but are engaged in work at any institution/facility or camp must observe and abide by all laws, rules and regulations governing the conduct of their behavior in associating with prison inmates. Failure to comply with these guidelines may lead to expulsion from CDCR institutions/facilities or camps.

SOURCE: California Penal Code (PC) Sections 5054 and 5058; California Code of Regulations (CCR), Title 15, Sections 3283, 3285, 3289, 3292 and 3415
2. CDCR does not recognize hostages for bargaining purposes. CDCR has a "NO HOSTAGE" policy and all prison inmates, visitors, non-employees and employees shall be made aware of this.

SOURCE: PC Sections 5054 and 5058; CCR, Title 15, Section 3304
3. All persons entering onto institution/facility or camp grounds consent to a search of their person, property or vehicle at any time. Refusal by individuals to submit to a search of their person, property or vehicle may be cause for denial of access to the premises or restrictions to visiting or facility access.

SOURCE: PC Sections 2601, 5054 and 5058; CCR, Title 15, Sections 3173, 3267, 3288, 3289, and 3292.
4. Persons normally permitted to enter an institution/facility or camp may be barred, for cause, by the CDCR Secretary, Director of Division of Adult Institutions (DAI), Warden, Regional Parole Administrator and /or their designees.

SOURCE: PC Sections 2086, 5054 and 5058; CCR, Title 15, Sections 3283 and 3289
5. It is illegal for an individual who has been previously convicted of a felony offense to enter into CDCR institutions/facilities or camps without the prior approval of the Warden. It is also illegal for an individual to enter onto these premises for unauthorized purposes or to refuse to leave said premises when requested to do so. Failure to comply with this provision could lead to prosecution.

SOURCE: PC Sections 602, 4570.5 and 4571; CCR, Title 15, Sections 3173, 3283 and 3289
6. Encouraging and/or assisting prison inmates to escape is a crime. It is illegal to bring firearms, deadly weapons, explosives, tear gas, drugs or drug paraphernalia on CDCR institutions/facilities or camp premises. It is illegal to give prison inmates firearms, explosives, alcoholic beverages, wireless communication devices or components thereof, tobacco products, narcotics, or any drug or drug paraphernalia, including cocaine or marijuana.

SOURCE: PC Sections 2772, 2790, 4535, 4550, 4573, 4573.5, 4573.6, 4574, 4576 and 5030.1; CCR, Title 15, Sections, 3172.1, 3188 and 3292
7. It is illegal to give or take letters from prison inmates without the authorization of the Warden. It is also illegal to give or receive any type of gift and/or gratuities from prison inmates.

SOURCE: PC Sections 2540, 2541 and 4570; CCR, Title 15, Sections 3010, 3399, 3401, 3424 and 3425
8. In an emergency situation the visiting program and other inmate program activities may be suspended by the Warden or designee.

SOURCE: PC Sections 2086 and 2601; CCR, Title 15, Section 3383
9. For security reasons, volunteers, media, contractors, dignitaries and guests must not wear clothing that in any way resembles state issued prison inmate clothing (blue denim shirts, blue denim pants).

SOURCE: CCR, Title 15, Sections 3174 and 3349.2.3(g) (3) (B)
10. Interviews with SPECIFIC INMATES are not permitted. Conspiring with an inmate to circumvent policy and/or regulations constitutes a rule violation that may result in appropriate legal action.

SOURCE: CCR, Title 15, Section 3261.5

I HEREBY CERTIFY AND ACKNOWLEDGE I HAVE READ THE ABOVE AND FULLY UNDERSTAND THE IMPLICATIONS REGARDING MY CONDUCT AND ASSOCIATION WITH CDCR INMATES. I ALSO UNDERSTAND VIOLATION OF ANY OF THE ABOVE COULD RESULT IN EXPULSION FROM A CDCR INSTITUTION/FACILITY OR CAMP WITH THE POSSIBILITY OF CRIMINAL PROSECUTION.

VOLUNTEER/MEDIA/CONTRACTOR/GUEST NAME AND TITLE (Print)	SIGNATURE	DATE SIGNED

DISTRIBUTION: Original – Warden, Parole Administrator *and/or designee*

EXHIBIT G
SPECTATOR WAIVER HOLD
HARMLESS AGREEMENT

Exhibit G

STATE OF CALIFORNIA
DEPARTMENT OF CORRECTIONS AND REHABILITATION



SPECTATOR WAIVER AND RELEASE OF LIABILITY, ASSUMPTION OF RISK, COVENANT NOT TO SUE AND INDEMNITY AGREEMENT

In consideration of being allowed to participate, this Spectator Waiver and Release of Liability, Assumption of Risk, and Indemnity Agreement ("Spectator Waiver Agreement") is required for voluntary participation of spectator activities on State of California Prison Property under the jurisdiction of the California, Department of Corrections and Rehabilitation ("CDCR").

As used in this Spectator Waiver Agreement, any references to the "State" and/or the "CDCR" refers to the State of California, the California Department of Corrections and Rehabilitation and all related entities that may control or are controlled by CDCR or together its personnel, employees, agents, invitees, contractors, and subcontractors.

I, _____ [Insert Name] represent that I am at least eighteen years of age and enter into this Spectator Waiver Agreement for permission to access and view training at the premises located on the State's property generally known as _____ [insert Institution Name and Address] (hereinafter "Premises") for the purposes of observing training methods used by the CDCR. I understand the Premises is a non-commissioned state detention facility with hazardous conditions both known and unknown. I further understand that these conditions may be unsafe and may pose an element of risk, including serious injury or death, associated with my access and presence.

I knowingly and freely hereby assume the inherent and extraordinary risks involved in the observation of training activities and any risks inherent in any other activities connected with the training, even if arising from the negligence of CDCR or others, and assume full responsibility for my participation and observation. I fully understand that there is a risk of injury or death from this training due to my presence at or near the training and training location. If, however, I observe any unusual and/or significant hazard during my presence I will remove myself from the area that I perceive as a hazard and shall bring such hazard to the attention of the nearest official.

I, for myself and on behalf of my heirs, assigns, personal representatives and/or next of kin, hereby release and hold harmless CDCR as well as its officers, directors, representatives, agents and/or employees, contractors, subcontractors or volunteers WITH RESPECT TO ANY AND ALL INJURY, COSTS, LIABILITY, DISABILITY, DEATH and/or loss or damage to person or property incurred by me in connection with my participation as a training spectator whether arising from the negligence of the CDCR or otherwise, to the fullest extent permitted by law. I further agree to indemnify, defend and hold harmless CDCR from any loss, liability, cost, claim or damages arising from my association with and presence at the training activities, including reasonable attorney fees.

My participation is entirely voluntary.

I consent to administration of first aid and other medical treatment in the event of injury or illness and hereby release and indemnify CDCR from any and all liability or claims arising out of such treatment.

I HAVE READ THIS AGREEMENT AND FULLY UNDERSTAND THAT I AM GIVING UP SUBSTANTIAL RIGHTS BY SIGNING IT, INCLUDING THE RIGHT TO DEMAND ANY COMPENSATION FOR INJURY OR DAMAGE THAT MAY OCCUR AS A RESULT OF MY PARTICIPATION AND PRESENCE. I am signing this Agreement and agreeing to its terms freely and without any inducement of any nature. I agree that if any portion of this Agreement is held to be invalid, all other terms shall continue in full force and effect.

Printed Name

Date

Signature

EXHIBIT H
CERTIFICATE OF SELF-INSURANCE COVERAGE

CITY COUNCIL AGENDA REPORT



TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: KELLY FEOLA, RECREATION AND EVENTS COORDINATOR

DATE: MAY 4, 2026

SUBJECT: YOUTH COUNCIL ENVIRONMENTAL COMMUNITY SERVICE PROJECT

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Authorize City staff to work with the Youth Council on the clean-up and landscaping of Tsunami Plaza as their environmental community service project.

BACKGROUND

Several local students serve on the Del Norte Youth Council. Their mission is as follows: "Del Norte Youth Council is a group of youth aged 14-18 who advocate for positive change in the community and encourage staying above the influence of substances" and "Youth Council meets weekly on Wednesdays at Coastal Connections to plan, and execute community projects that they feel will benefit others and promote staying above the influence of substances."

ITEM ANALYSIS

City staff have been communicating with the Youth Council for several months and met with them at the Tsunami Plaza to discuss their vision. Afterwards, the group came up with a list of projects they would like to volunteer their time for, including:

- Pressure wash concrete, clean light fixtures, pick up trash, pull weeds, clean memorial plaques.

- Landscaping suggestions: Plant Tufted hair grass, California Lilac, Seaside Fleabane, or Lithodora ground cover (blue) in the empty planters.
- Clean up graffiti & re-paint the benches.
- Ideas for future: Bring it to life with public art, banners that share cultural or disaster information with tourists, murals, painted hopscotch or interactive playscapes on the concrete/tiles. Possibly a location for students that visit from our Sister City to leave a handprint.

The Youth Council would like to complete this project by June 30, 2026.

FISCAL IMPACT:

The current approved budget has adequate funding to purchase the plants, landscaping materials, paint, and cleaning supplies for this project, which are estimated to cost approximately \$600.

STRATEGIC PLAN ASSESSMENT:

This action supports the following Strategic Plan Goals and Policies:

GOAL 1: SUPPORT QUALITY SERVICES, COMMUNITY SAFETY, AND HEALTH TO ENHANCE THE QUALITY OF LIFE AND EXPERIENCE OF OUR RESIDENTS AND VISITORS

ATTACHMENTS:

- None.



CITY COUNCIL AGENDA REPORT

TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: MARTHA D. RICE, CITY ATTORNEY

DATE: MAY 4, 2026

SUBJECT: ADOPTION OF 2025 CALIFORNIA BUILDING STANDARDS CODES

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Waive full reading, read by title only and introduce Ordinance No. 865, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING TITLE 15, BUILDINGS AND CONSTRUCTION, OF THE CRESCENT CITY MUNICIPAL CODE TO ADOPT THE 2025 CALIFORNIA BUILDING STANDARDS CODES

BACKGROUND

The California Building Standards Commission adopts and approves California's building codes under the authority of Health & Safety Code § 18901 et seq. The Commission typically reviews and updates the California Building Standards Codes every three years, the last being in 2025 and updated effective January 1, 2026. Regardless of whether the codes are formally adopted, the building standards still apply to construction within City limits as of January 1, 2026. Through adopting the codes, the City can make changes and choose whether to adopt the various code appendices.

In addition, the City's enforcement mechanisms are stronger with formal adoption because violations of the City's formally adopted building codes are defined public nuisances subject to administrative citations under Ch. 1.24 citation and abatement under Chapter 8.08.

ITEM ANALYSIS

The ordinance adopts the current versions of the following California Building Standards Codes:

- California Building Code (2025 Edition and as amended) and
 - Appendices F (Rodentproofing), G (Flood-Resistant Construction), I (Patio Covers), J (Grading), M (Tsunami-Generated Food Hazards), P (Sleeping Lofts) and Q (Emergency Housing); and
 - Retains local code regarding footings and metal connectors (same as county)
- California Residential Code (2025 Edition and as amended) and
 - Appendices BB(Tiny Houses), BF (Patio Covers), BG (Sound Transmission), BH (Automatic Vehicular Gates), BO (Existing Buildings and Structures), CI (Swimming Pool Safety Act), and CJ (Emergency Housing); and
 - retains local code regarding footings and metal connectors (same as county)
- California Electrical Code (2025 Edition and as amended)
- California Mechanical Code (2025 Edition and as amended)
- California Plumbing Code (2025 Edition and as amended)
- California Energy Code (2025 Edition and as amended)
- California Fire Code (2025 Edition and as amended) and
 - Appendices B/BB (Fire-Flow Requirements for Buildings), C/CC (Fire Hydrant Locations and Distribution), H (Hazardous Materials Management Plans and Hazardous Materials Inventory Statements), I (Fire Protection Systems – Noncompliant Conditions), and P (Temporary Haunted Houses, Ghost Walks and Similar Amusement Uses)
- California Existing Building Code (2025 Edition and as amended)
- California Green Building Standards Code (2025 Edition and as amended)

In addition, the ordinance adopts the 2025 International Property Maintenance Code as published by the International Code Council as well as its Appendix A. This is a good tool for identifying and evaluating substandard properties and buildings.

These codes can be found online at <https://www.dgs.ca.gov/bsc/codes>.

If introduced this evening, the ordinance will be brought back for adoption at the June 1, 2026 meeting. The ordinance will be effective 30 days after the date of adoption.

FISCAL ANALYSIS

There is no direct fiscal impact to adopting the building codes other than the costs of publishing notices in the newspaper.

STRATEGIC PLAN ANALYSIS

This action is consistent with the following strategic plan goals:

- Goal 1: Support Quality Services, Community Safety, and Health to Enhance the Quality of Life and Experience of Our Resident and Visitors

- C. Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States
- Goal 3: Obtain the Highest Levels of Organizational Excellence
 - D. Seek methods to create efficiencies and add additional value without compromising safety or performance

ATTACHMENTS

1. Draft Ordinance No. 865 (Building Codes Adoption)

ORDINANCE NO. 865

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING TITLE 15, BUILDINGS AND CONSTRUCTION, OF THE CRESCENT CITY MUNICIPAL CODE TO ADOPT THE 2025 CALIFORNIA BUILDING STANDARDS CODES

WHEREAS, the City of Crescent City is a general law city with the constitutional authority (“police power”) to make laws and regulations to protect the public health, safety and welfare; and

WHEREAS, Title 15 of the Crescent City Municipal Code sets forth regulations of the City governing the construction of buildings and related improvements; and

WHEREAS, the California Building Standards Commission adopts and approves California’s building codes under the authority of Health & Safety Code § 18901 et seq.; and

WHEREAS, the Commission has adopted the 2025 Triennial Edition of Title 24 of the California Code of Regulations adopting standardized codes and appendices; and

WHEREAS, City staff have reviewed, considered, and recommend that the City Council adopt the uniform building codes and identified appendices, as amended herein.

NOW, THEREFORE, the City Council of the City of Crescent City ordains as follows:

SECTION 1. RECITALS. The City Council finds the above recitals to be true and correct and are incorporated herein as if set forth in full.

SECTION 2. CODE AMENDMENT. Title 15, Buildings and Construction, of the Crescent City Municipal Code is hereby amended as follows:

2.01 CHAPTER 15.100 California Building Code. Section 15.100.010, Adopted, of Chapter 15.100, California Building Code, is hereby amended to read as follows:

15.100.010 Adopted. Except as otherwise provided herein, the California Building Code, 2025 edition (Part 2 of Title 24) Volumes I and II, and Appendices F (Rodentproofing), G (Flood-Resistant Construction), I (Patio Covers), J (Grading), M (Tsunami-Generated Flood Hazards), P (Sleeping Lofts) and Q (Emergency Housing), and as amended from time to time, are adopted as the Building Code of the City of Crescent City. The California Building Code and its appendices shall be on file for public examination in the office of the building official.

2.02 CHAPTER 15.104 California Residential Code. Section 15.104.010, Adopted, of Chapter 15.104, California Residential Code is hereby amended to read as follows:

15.104.010 Adopted. Except as otherwise provided herein, the California Residential Code, 2025 Edition (Part 2.5 of Title 24), and Appendices BB (Tiny Houses), BF (Patio Covers), BG (Sound Transmission), BH (Automatic Vehicular Gates), BO (Existing Buildings and Structures), CI (Swimming Pool Safety Act), and CJ (Emergency Housing), and as amended from time to time, are adopted as the Residential Building Code of the City of Crescent City. The California Residential Code and its appendices shall be on file for public examination in the office of the building official.

2.03 CHAPTER 15.108 California Electrical Code. Section 15.108.010, Adopted, of Chapter 15.108, California Electrical Code is hereby amended to read as follows:

15.108.010 Adopted. Except as otherwise provided herein, the California Electrical Code, 2025 edition (Part 3 of Title 24), and as amended from time to time, is adopted as the Electrical Code of the City of Crescent City. The California Electrical Code shall be on file for public examination in the office of the building official.

2.04 CHAPTER 15.112 California Mechanical Code. Section 15.112.010, Adopted, of Chapter 15.112, California Mechanical Code is hereby amended to read as follows:

15.112.010 Adopted. Except as otherwise provided herein, the California Mechanical Code, 2025 edition (Part 4 of Title 24), and as amended from time to time, is adopted as the Mechanical Code of the City of Crescent City. The California mechanical Code shall be on file for public examination in the office of the building official.

2.05 CHAPTER 15.116 California Plumbing Code. Section 15.116.010, Adopted, of Chapter 15.116, California Plumbing Code is hereby amended to read as follows:

15.116.010 Adopted. Except as otherwise provided herein, the California Plumbing Code, 2025 edition (Part 5 of Title 24), and as amended from time to time, is adopted as the Plumbing Code of the City of Crescent. The California Plumbing Code shall be on file for public examination in the office of the building official.

2.06 CHAPTER 15.120 California Energy Code. Section 15.120.010, Adopted, of Chapter 15.120, California Energy Code is hereby amended to read as follows:

15.120.010 Adopted. Except as otherwise provided herein, the California Energy Code, 2025 edition (Part 6 of Title 24), and as amended from time to time, is adopted as the Energy Code of the City of Crescent City. The California Energy Code shall be on file for public examination in the office of the building official.

2.07 CHAPTER 15.124 California Historical Building Code. Section 15.124.010, Adopted, of Chapter 15.124, California Historical Building Code is hereby amended to read as follows:

15.124.010 Adopted. Except as otherwise provided herein, the California Historical Building Code, 2025 edition (Part 8 of Title 24), and as amended from time to time, is adopted as the Historical Building Code of the City of Crescent City. The California Historical Building Code shall be on file for public examination in the office of the building official.

2.08 CHAPTER 15.128 California Fire Code. Section 15.128.010, Adopted, of Chapter 15.128, California Fire Code is hereby amended to read as follows:

15.128.010 Adopted. Except as otherwise provided herein, the California Fire Code, 2025 edition (Part 9 of Title 24), and Appendices B/BB (Fire-Flow Requirements for Buildings), C/CC (Fire Hydrant Locations and Distribution), H (Hazardous Materials Management Plans and Hazardous Materials Inventory Statements), I (Fire Protection Systems – Noncompliant Conditions), and P (Temporary Haunted Houses, Ghost Walks and Similar Amusement Uses), and as amended from time to time, are adopted as the Fire Code of the City of Crescent City. The California Fire Code shall be on file for public examination in the office of the Fire Chief.

2.09 Chapter 15.132 California Existing Building Code. Section 15.132.010, Adopted, of Chapter 15.132, California Existing Building Code is hereby amended to read as follows:

15.132.010 Adopted. Except as otherwise provided herein, the California Existing Building Code, 2025 edition (Part 10 of Title 24), and as amended from time to time, is adopted as the Existing Building Code of the City of Crescent City. The California Existing Building Code shall be on file for public examination in the office of the building official.

2.10 Chapter 15.136 California Green Building Standards Code. Section 15.136.010, Adopted, of Chapter 15.136, California Green Building Standards Code is hereby amended to read as follows:

15.136.010 Adopted. Except as otherwise provided herein, the California Green Building Standards Code (CALGreen), 2025 edition (Part 11 of Title 24), and as amended from time to time, is adopted as the Green Building Standards Code of the City of Crescent City. The California Green Building Standards Code shall be on file for the public examination in the office of the building official.

2.11 Chapter 15.140 International Property Maintenance Code. Section 15.140.010, Adopted, of Chapter 15.140, International Property Maintenance Code is hereby amended to read as follows:

15.140.010 Adopted. Except as otherwise provided herein, the 2025 International Property Maintenance Code published by the International Code Council and Appendix A (Boarding), and as amended from time to time, are adopted as the Property Maintenance Code of the City of Crescent City. The International Property Maintenance Code shall be on file for public examination in the office of the building official.

END TEXT AMENDMENT

SECTION 3. SEVERABILITY. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 4. CEQA FINDINGS. This Ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA), and the CEQA Guidelines, and has been found to be exempt from CEQA under Section 15061(b)(3) as this ordinance does not have the potential for causing a significant effect on the environment.

SECTION 5. EFFECTIVE DATE & PUBLICATION. This Ordinance will become effective 30 days after the date of its adoption. The City Clerk shall cause this ordinance to be published within 15 days of its adoption in accordance with the requirements of Government Code Section 36933.

INTRODUCED at a meeting of the City Council of the City of Crescent City held on _____.

PASSED AND ADOPTED by the City Council of the City of Crescent City at a regular meeting of the City Council held this _____ by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Isaiah Wright, Mayor

ATTEST:

Robin Altman, City Clerk

APPROVED AS TO FORM:

Martha D. Rice, City Attorney



CITY COUNCIL AGENDA REPORT

TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: MARTHA D. RICE, CITY ATTORNEY

DATE: MAY 4, 2026

SUBJECT: THE REDWOOD DOWNTOWN PROJECT TRANSFER

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Approve and authorize the City Manager to sign the Assignment, Assumption, and Novation Agreement of PLHA / PIP Loan Documents by and between the City of Crescent City, Community System Solutions and Crescent City 3rd Street LP

BACKGROUND

In September 2017, the California Legislature approved Senate Bill 2 (SB 2), known as the Building Homes and Jobs Act (Act), which established a \$75 recording fee on real estate documents that would go into a fund to be used to increase the supply of affordable housing. The Act establishes the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD). The PLHA provides a permanent source of funding to cities and counties to help meet the unmet need for affordable housing and increase the supply of affordable housing units. On February 20, 2024, the Council directed staff to submit an application for funding and on July 1, 2024, the City was awarded \$344,198 in PLHA funding. There is another \$56,111 expected to be available soon.

With the 2019-2020 Budget Act, HCD was also able to provide a spectrum of support, incentives, and accountability measures to meet California's housing goals, including the establishment of the Prohousing Designation Program. The Prohousing Designation Program provides incentives to cities and counties in the form of additional points or other preference in the scoring of competitive housing, community development, and infrastructure programs.

On March 1, 2024, the City was designated a “Prohousing Jurisdiction” by HCD. The Prohousing Incentive Program (PIP) rewards local governments who have received the Prohousing Jurisdiction designation with additional funding to accelerate affordable housing production and preservation through a competitive application process. On July 8, 2024, the City was awarded \$650,000 in PIP funding.

City staff combined both grants, and pending application for the 2023 PLHA allocation, to make a total amount of up to \$1,050,309 in HCD funding available for the creation of a minimum of 4 units of affordable housing. Funds can be used for the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is affordable to very low-, low-, or moderate-income households and general administration.

On October 2, 2025, City staff released an RFP for this project and received a total of four proposals. The Redwood Downtown project presented by Community System Solutions stood out among the proposals as it presented significantly more potential for community impact than the others. The project was originally described as 27 low- to moderate-income high-quality apartments along with ground level retail space on the lot located at Third and J Streets. City staff saw this project as a perfect complement to the City's downtown revitalization goals, with the potential not only to provide more housing stock, but also to help generate more foot traffic for the downtown business district. The project will be a mixed-use, infill housing development, which also aligns with the goals of the City's Housing Element.

The City's adopted PLHA Plan for 2020-2023 funding allocations has established that allocated funds will be provided to eligible affordable housing developers in the form of a ten-year deferred loan at 0% interest. The loans must be evidenced through a Promissory Note secured by a Deed of Trust, and an Affordable Housing Covenant restricting occupancy and rents of 4 units for a term of 55 years. At the request of the applicant, the loan may be forgiven at the end of the 10 years if the affordable housing requirements have been met.

On December 1, 2025, the City Council approved the PLHA / PIP Loan Agreement with Community System Solutions in the amount of \$1,032,371.43 for the Redwood Downtown project. This is the total award amount, plus the pending PLHA application, minus the general admin budget set aside for City staff to administer this grant and oversee the project.

On February 17, 2026, the City Council approved an amendment to the agreement to update the project description to change the number of units from 27 to 36 and change the unit mix to include studios and no three-bedrooms.

On March 2, 2026, the Council approved the submission of an application to HCD for an additional \$650,000 in PIP funds to be used toward this project.

On March 12, 2026, the Planning Commission approved the Site Plan & Architectural Review for the proposed mixed used development with 36 residential units and retail along Third Street on the first floor. The project was subject to certain mandatory development exemptions due to the developer's commitment to make at least 80% of the units available to lower income households and no more than 20% of the units available to moderate income households. The exemptions applied and utilized for this project were height (+ 4ft 8in), rear yard setback (- 2ft 6in), density (+ 28 units) and parking (- 42 spaces).

AFFORDABLE HOUSING

The PLHA / PIP Loan Agreement requires that only 4 of the units remain affordable for households earning up to 120% AMI for a period of 55 years (moderate income level). The project, however, has received state-mandated development exemptions based on the condition that the entirety of the residential units will be affordable with no less than 80% of the units designated for low-income households and no more than 20% of the units designated for moderate income households. Household income designations are created in reference to the area median income (AMI). The 2025 Del Norte County AMI as determined by HCD is \$93,900 for a 4-person household. This number is adjusted based upon how many people are in the household. Low-income households are defined as households earning less than 80% of the annual AMI. Moderate-income households are defined as households earning less than 120% of the annual AMI.

Income Level	% AMI	Maximum Allowable Gross Annual Income by Household Size			
		1 person	2 persons	3 persons	4 persons
Low-Income	<80%	\$52,600	\$60,100	\$67,600	\$75,100
Moderate-Income	<120%	\$78,900	\$90,150	\$101,450	\$112,700

The State also sets "affordability" guidelines. "Affordable housing cost" is defined in State law as not more than 30% of gross household income with variations (Health and Safety Code Section 50052.5). "Housing cost" for rentals commonly includes rent and utilities (gas, electricity, water, sewer, garbage, recycling, and green waste).

ANALYSIS

The developer, Community System Solutions (CSS), ran into issues with securing and expending funds prior to the HCD deadline for PIP Grant reimbursement. Danco Communities, which recently built the 27-unit senior development, Harbor Point at 655 H Street, has offered to purchase the project and step in as the developer. Danco Communities has the financial resources to spend the required amount in a short timeframe and the experience to bring this project to completion. Danco is aware of the community's apprehension about the lack of residential parking included as part of the

project and is actively working toward solutions. However, the project remains fully entitled without any additional parking.

Grants & Economic Development Manager Bridget Lacey has been in communication with HCD staff regarding the transfer of the project and spending deadlines. The City has been granted an extension to submit requests to HCD for reimbursement.

The agreement that the City Council is being asked to approve this evening will replace CSS with Danco with respect to this project and all agreements entered into regarding this project with the City of Crescent City. Danco Communities has created a new limited partnership, Crescent City 3rd Street, LP, for which it is the administrative general partner (same set up as Harbor Point). Both CSS and Danco have reviewed and approved the agreement as presented.

FISCAL ANALYSIS

This action will not have a fiscal impact to the City's budget.

STRATEGIC PLAN ANALYSIS

This action is consistent with the following 2016 Strategic Plan Goals:

- Goal 1: Support quality services, community safety, and health to enhance the quality of life and experience of our residents and visitors.
- Goal 2: Promote a thriving local economy.
 - Expand on the success of grant funding by maximizing utilization of opportunities with corresponding community needs.

ATTACHMENTS

1. Assignment, Assumption, and Novation Agreement of PLHA / PIP Documents

RECORDING REQUESTED BY:
AND WHEN RECORDED MAIL TO:

City of Crescent City
377 J Street
Crescent City, CA 95531
Attention: City Clerk

APN 118-120-025-000

Exempt from Recording Fees Per Gov. Code Section 27383
Exempt from SB2 Fees Per Gov. Code Section 27388.1(a)(2)(D)

ASSIGNMENT, ASSUMPTION, AND NOVATION AGREEMENT OF PLHA / PIP LOAN DOCUMENTS

This Assignment, Assumption, and Novation Agreement (this "Agreement") is entered into as of May 4, 2026, by and among:

Community System Solutions, a California nonprofit corporation ("Assignor"),
Crescent City 3rd Street LP, a California limited partnership ("Assignee"), and
City of Crescent City, a California municipal corporation ("Counterparty").

Assignor, Assignee, and Counterparty are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

- A. EXISTING CONTRACTS.** Assignor and Counterparty are parties to the following contracts: (1) PLHA / PIP Loan Agreement By and Between the City of Crescent City and Community System Solutions dated as of December 12, 2025; (2) Amendment No. 1 to the PLHA / PIP Loan Agreement dated February 17, 2026; (3) Crescent City PLHA / PIP Promissory Note in the amount of (\$1,032,371.43) dated March 2, 2026; (4) Deed of Trust and Assignment of Rents recorded on March 18, 2026 as Doc# 20260750 in Del Norte County Official Records encumbering that certain real property located at 962 and 964 3rd Street, City of Crescent City, California (the "Property"); and (5) Affordable Housing Covenant recorded on March 18, 2026 as Doc# 20260750 in Del Norte County Official Records encumbering the Property, pursuant to which Assignor has certain rights, benefits, interests, liabilities, and obligations. These contracts are collectively referred to herein as the "Assigned Contract" and are attached hereto as Exhibit "A."

The Property encumbered by the Deed of Trust and Affordable Housing Covenant identified above is situated in the City of Crescent City, County of Del Norte, State of California, described as follows:

Beginning at the most Easterly corner of Block 22 of the City of Crescent City, according to the official city surveys and monuments; and running thence Northerly along J Street, 240 feet to Fourth Street; thence Westerly along Fourth Street, 120 feet; thence at a right angle Southerly, 80 feet; thence at a right angle Easterly, 40 feet; thence at a right angle Southerly, 160 feet to Third Street; and thence Easterly along Third Street, 80 feet to the Point of Beginning.

- B. PROPERTY PURCHASE.** Assignor and Assignee have entered into that certain Purchase and Sale Agreement and Escrow Instructions ("Purchase Agreement") pursuant to which Assignee will purchase the Property from Assignor. The concurrent recording of this Agreement is an unwaivable condition precedent to such sale.
- C. DESIRE TO ASSIGN AND ASSUME.** Assignor desires to assign, transfer, convey, and delegate to Assignee all of Assignors right, title, interest, claims, benefits, liabilities, and obligations in, to, and under the Assigned Contract, and Assignee desires to accept such assignment and assume all such liabilities and obligations, in each case as of the Effective Date, on the terms and subject to the conditions set forth in this Agreement.
- D. DESIRE TO EFFECT NOVATION.** The Parties intend that, as of the Effective Date:
1. Assignee shall be substituted for Assignor as the contracting party to the Assigned Contract in Assignors place and stead;
 2. Counterparty shall look solely to Assignee (and not Assignor) for the performance of all obligations and liabilities arising under the Assigned Contract from and after the Effective Date; and
 3. Assignor shall be fully and unconditionally released and discharged from all obligations and liabilities under the Assigned Contract arising from and after the Effective Date, all as more particularly set forth in this Agreement.
- E. CONSENT AND AGREEMENT OF COUNTERPARTY.** Counterparty desires to consent to the assignment and assumption described herein, to recognize Assignee as the substituted contracting party in place of Assignor under the Assigned Contract, and to effect and acknowledge the novation described herein, in each case on the terms and subject to the conditions set forth in this Agreement.
- F. CONSIDERATION.** The mutual covenants and promises contained in this Agreement and in the Purchase Agreement constitute good, valuable, and sufficient consideration for this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals (which are incorporated into and form a part of this Agreement), the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.0 DEFINITIONS; INTERPRETATION

1.01 Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

- a. "Agreement" has the meaning set forth in the preamble.
- b. "Assigned Contract" has the meaning set forth in Recital A.
- c. "Assignment" means the assignment, transfer, and conveyance by Assignor to Assignee of the Assigned Rights (as defined below).
- d. "Assigned Rights" has the meaning set forth in Section 2.01.
- e. "Assumed Obligations" has the meaning set forth in Section 3.01.
- f. "Counterparty" has the meaning set forth in the preamble.
- g. "Effective Date" is the date of escrow closing for the transfer from Assignor to Assignee of the property (962/964 Third Street, APN 118-120-025-000) and the project to be constructed thereon under the Assigned Contract.
- h. "Novation" means the novation and substitution described in Section 4.0.
- i. "Parties" and "Party" have the meanings set forth in the preamble.
- j. "Purchase Agreement" has the meaning set forth in Recital B.

1.02 Construction and Interpretation.

- a. Unless the context otherwise requires, references in this Agreement to sections, recitals, or exhibits are to sections, recitals, or exhibits of this Agreement.
- b. The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- c. The words "include," "includes," and "including" shall be deemed to be followed by the words "without limitation."
- d. The words "hereof," "herein," "hereunder," and similar words refer to this Agreement as a whole and not to any particular provision.
- e. The singular includes the plural and the plural includes the singular, and any gender includes each other gender, as the context may require.
- f. References to any statute or regulation shall be deemed to refer to such statute or regulation as amended, superseded, or replaced from time to time and to any successor statute or regulation, including any rules or regulations promulgated thereunder.

1.03 Order of Precedence. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Purchase Agreement with

respect to the subject matter of this Agreement, the terms of this Agreement shall govern and control as between the Parties, unless the Purchase Agreement expressly provides that it shall control with respect to a specified provision.

2.0 ASSIGNMENT BY ASSIGNOR

2.01 Assignment of Rights and Interests. Effective as of the Effective Date, and subject to the terms and conditions of this Agreement and the Purchase Agreement, Assignor hereby irrevocably assigns, transfers, conveys, and sets over to Assignee all of Assignors right, title, interest, claims, and benefits of every kind and nature whatsoever, whether known or unknown, contingent or non-contingent, in, to, and under the Assigned Contract, including:

- a. all rights to receive any and all payments, fees, reimbursements, consideration, and other amounts payable to Assignor under the Assigned Contract on or after the Effective Date;
- b. all rights to receive goods, services, deliverables, performance, and other benefits of any kind under the Assigned Contract on or after the Effective Date;
- c. all rights to exercise any and all elections, options, privileges, remedies, and other rights under the Assigned Contract on or after the Effective Date; and
- d. all rights, claims, and causes of action relating to the Assigned Contract arising on or after the Effective Date (collectively, the "Assigned Rights").

2.02 Assignment Subject to Assigned Contract. The Assignment is made subject to all of the terms, conditions, limitations, and restrictions set forth in the Assigned Contract, and shall not be deemed to enlarge, reduce, modify, waive, or otherwise alter any rights, obligations, or liabilities of any party under the Assigned Contract, except as expressly provided in this Agreement.

2.03 No Assignment of Excluded Rights. For the avoidance of doubt, Assignor does not assign, transfer, or convey, and Assignee does not acquire, any of the following:

- a. any rights, claims, causes of action, or amounts relating to the Assigned Contract to the extent arising out of or relating to periods prior to the Effective Date, except to the extent expressly provided otherwise in the Purchase Agreement; or
- b. any rights or claims specifically retained by Assignor pursuant to the Purchase Agreement or expressly excluded in writing by the Parties.

2.04 Further Assurances by Assignor. Assignor shall, at Assignee's reasonable request and expense, execute and deliver such further instruments and do and perform such further acts as may be reasonably necessary or desirable to more fully assign, transfer, and convey to Assignee the Assigned Rights in

accordance with the intent and purpose of this Agreement, including providing reasonable cooperation in delivering notices of Assignment to any third parties if required or appropriate under the Assigned Contract.

3.0 ASSUMPTION BY ASSIGNEE

3.01 Assumption of Obligations and Liabilities. Effective as of the Effective Date, Assignee hereby:

- a. accepts the Assignment of the Assigned Rights; and
- b. assumes, undertakes, and agrees to pay, perform, discharge, and observe in full, as and when due, each and every covenant, duty, term, condition, obligation, and liability of Assignor under the Assigned Contract, to the extent arising, accruing, or relating to periods from and after the Effective Date (collectively, the "Assumed Obligations").

3.02 No Assumption of Pre-Effective Date Obligations Except as Provided. Except as may be expressly provided otherwise in the Purchase Agreement, Assignee does not assume, and shall not be liable or responsible for, any obligations, liabilities, or other commitments of Assignor under or relating to the Assigned Contract to the extent arising, accruing, or relating to periods prior to the Effective Date, which shall remain the sole responsibility of Assignor.

3.03 Performance in Accordance with Assigned Contract. Assignee shall perform, comply with, and discharge the Assumed Obligations in accordance with the terms of the Assigned Contract, as if Assignee were an original party thereto in place of Assignor, subject in all respects to the terms, conditions, and limitations set forth in the Assigned Contract.

3.04 Further Assurances by Assignee. Assignee shall, at Assignor's reasonable request and expense (except as otherwise allocated in the Purchase Agreement), execute and deliver such further instruments and do and perform such further acts as may be reasonably necessary or desirable to evidence and confirm Assignee's assumption of the Assumed Obligations and substitution as the contracting party under the Assigned Contract.

4.0 NOVATION AND SUBSTITUTION; RELEASE

4.01 Novation and Substitution. Effective as of the Effective Date, and in consideration of the mutual covenants contained herein and the other consideration described in this Agreement and the Purchase Agreement, the Parties hereby agree as follows:

- a. Assignee is substituted for Assignor as a party to the Assigned Contract in Assignor's place and stead, and Assignee shall be deemed to be and shall thereafter be treated for all purposes as if it were an original party to the Assigned Contract in place of Assignor; and

- b. Counterparty hereby agrees to look solely to Assignee (and not to Assignor) for the full and timely performance of all obligations and liabilities under the Assigned Contract to the extent arising, accruing, or relating to periods from and after the Effective Date.

4.02 Release of Assignor for Post-Effective Date Obligations. Effective as of the Effective Date, Counterparty hereby irrevocably and unconditionally releases and forever discharges Assignor, its predecessors, successors, assigns, directors, officers, employees, agents, and representatives (collectively, the "Assignor Released Parties") from any and all debts, claims, demands, actions, causes of action, suits, obligations, liabilities, damages, losses, costs, expenses, and remedies of whatsoever kind or nature, whether known or unknown, suspected or unsuspected, fixed or contingent, at law or in equity, arising under or relating to the Assigned Contract to the extent arising, accruing, or relating to periods from and after the Effective Date.

4.03 Retention of Liability for Pre-Effective Date Obligations. For the avoidance of doubt, nothing in this Agreement shall be construed to release or discharge Assignor from any obligations or liabilities under the Assigned Contract to the extent arising, accruing, or relating to periods prior to the Effective Date, except to the limited extent (if any) expressly provided otherwise in a written agreement between Assignor and Counterparty or between Assignor and Assignee.

4.04 Counterparty's Consent and Agreement. Counterparty hereby:

- a. consents to and approves the Assignment by Assignor to Assignee of the Assigned Rights;
- b. consents to and approves the assumption by Assignee of the Assumed Obligations;
- c. agrees to the Novation and substitution of Assignee for Assignor as a party to the Assigned Contract;
- d. agrees that all references to "Assignor" or any predecessor name of Assignor in the Assigned Contract shall, as of the Effective Date, be deemed to refer to Assignee;
- e. agrees to provide notices to Developer under the Assigned Contract to Assignee at its address in 9.01(f) herein; and
- f. agrees to recognize Assignee as the sole party in the place of Assignor under the Assigned Contract for all purposes on and after the Effective Date.

4.05 California Civil Code Section 1530. The Parties acknowledge that this Novation is intended to constitute a novation under California Civil Code section 1530 and related provisions, and to effect the substitution of a new obligor (Assignee) in place of the original obligor (Assignor) with respect to the Assigned Contract, with the effect that, except as otherwise expressly provided in this Agreement, the original obligation of Assignor, to the extent

arising on or after the Effective Date, is extinguished and replaced with the obligation of Assignee.

5.0 REPRESENTATION AND WARRANTIES

5.01 Mutual Representations and Warranties. Each Party represents and warrants to the other Parties, as of the Effective Date, that:

- a. it is duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization, and has all requisite power and authority to own its properties and conduct its business as currently conducted;
- b. it has the full right, power, and authority to enter into this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby;
- c. the execution, delivery, and performance of this Agreement by such Party have been duly authorized by all necessary corporate or other organizational action on the part of such Party;
- d. this Agreement has been duly executed and delivered by such Party and constitutes the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors rights generally and to general principles of equity; and
- e. the execution, delivery, and performance of this Agreement by such Party do not and will not (i) violate the organizational documents of such Party, (ii) violate any applicable law, rule, regulation, order, judgment, or decree binding on such Party, or (iii) constitute a default or event of default (or an event that, with the giving of notice, the lapse of time, or both, would constitute a default or event of default) under any material contract or agreement to which such Party is a party or by which it is bound, in each case, in any manner that would materially impair such Party's ability to perform its obligations hereunder.

5.02 Additional Representations and Warranties of Assignor. Assignor represents and warrants to Assignee and Counterparty, as of the Effective Date, that:

- a. Assignor is the sole legal and beneficial owner of the Assigned Rights, free and clear of any lien, pledge, claim, encumbrance, security interest, or other restriction of any kind (other than restrictions contained in the Assigned Contract itself);
- b. the Assigned Contract is, to Assignor's knowledge, a legal, valid, and binding obligation of Assignor and Counterparty, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors rights generally and to general principles of equity;

- c. to Assignor's knowledge, the Assigned Contract is in full force and effect, and Assignor has not received written notice from Counterparty alleging the termination, cancellation, rescission, material breach, or default under the Assigned Contract;
- d. to Assignor's knowledge, Assignor is not in material breach of, or material default under, the Assigned Contract, and no event has occurred that, with notice or lapse of time or both, would constitute such a material breach or material default;
- e. Assignor has not previously assigned, transferred, conveyed, pledged, or otherwise encumbered any of its right, title, or interest in, to, or under the Assigned Contract, other than to Assignee pursuant to this Agreement;
- f. to Assignor's knowledge, no consent, approval, waiver, or authorization of, or filing with, any third party (including any governmental authority) is required in connection with the execution, delivery, and performance by Assignor of this Agreement and the consummation by Assignor of the transactions contemplated hereby, except as has been duly obtained or made and is in full force and effect; and
- g. all amounts and other obligations owing by Assignor to Counterparty under the Assigned Contract that are due and payable as of the Effective Date have been paid or otherwise satisfied, other than such amounts (if any) as are being assumed, adjusted, or otherwise allocated pursuant to the Purchase Agreement.

5.03 Additional Representations and Warranties of Assignee. Assignee represents and warrants to Assignor and Counterparty, as of the Effective Date, that:

- a. Assignee has received and reviewed a true, correct, and complete copy of the Assigned Contract, including all exhibits, schedules, amendments, modifications, and supplements thereto, and Assignee is familiar with and understands the terms, conditions, obligations, and liabilities thereunder;
- b. Assignee has independently investigated and verified, to its satisfaction, the Assigned Contract and the business, financial, and legal implications of assuming the Assumed Obligations, and has not relied on any representation or warranty of Assignor or Counterparty other than as expressly set forth in this Agreement or the Purchase Agreement;
- c. Assignee has, and will have at all relevant times, the financial capacity and operational ability to perform the Assumed Obligations in accordance with the terms of the Assigned Contract; and
- d. Assignee is not subject to any pending bankruptcy, insolvency, receivership, or similar proceeding, and no such proceeding is

contemplated to be commenced against Assignee to Assignees knowledge.

5.04 Additional Representations and Warranties of Counterparty. Counterparty represents and warrants to Assignor and Assignee, as of the Effective Date, that:

- a. to Counterparty's knowledge, the Assigned Contract is in full force and effect and is a legal, valid, and binding obligation of Counterparty, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditor's rights generally and to general principles of equity;
- b. to Counterparty's knowledge, Counterparty is not in material breach of, or material default under, the Assigned Contract, and no event has occurred that, with notice or lapse of time or both, would constitute such a material breach or material default; and
- c. Counterparty has not previously exercised any contractual right that would terminate, rescind, or materially modify the Assigned Contract in a manner not disclosed to Assignor and Assignee in writing.

5.05 Survival. The representations and warranties contained in this Agreement shall survive the Effective Date for a period of 10 years, except for representations and warranties that by their terms or by applicable law survive for a longer period.

6.0 COVENANTS; FURTHER ASSURANCES

6.01 Performance of Assigned Contract. From and after the Effective Date, Assignee shall perform, comply with, and discharge the Assumed Obligations when due, and Counterparty shall accept such performance by Assignee in full satisfaction of the corresponding obligations of Assignor under the Assigned Contract from and after the Effective Date.

6.02 Cooperation. Each Party shall cooperate reasonably and in good faith with the others and shall execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably necessary to carry out the provisions and purposes of this Agreement and to give effect to the transactions contemplated hereby, including those necessary to evidence the Assignment, Assumption, and Novation in any jurisdiction or to any third party as may be reasonably requested.

6.03 Notices Under Assigned Contract. To the extent required or appropriate under the Assigned Contract, Assignor shall provide any notices to Counterparty or other third parties regarding the Assignment and Assumption, and Counterparty agrees to execute such acknowledgements or

confirmations as may be reasonably requested by Assignor to evidence the Novation and substitution effected by this Agreement.

6.04 No Modification of Assigned Contract. Nothing in this Agreement shall be construed to amend, modify, or waive any provision of the Assigned Contract as between Assignee and Counterparty, except to the limited extent expressly stated in this Agreement. To the extent any amendment or modification is intended, such amendment or modification shall be set forth expressly in writing and, to be effective, executed by the parties intended to be bound thereby.

7.0 INDEMNIFICATION

7.01 Indemnification by Assignor. Assignor shall indemnify, defend, and hold harmless Assignee and its affiliates, and each of their respective directors, officers, employees, agents, successors, and assigns (collectively, the "Assignee Indemnified Parties"), from and against any and all losses, damages, liabilities, claims, actions, judgments, settlements, interest, penalties, fines, costs, and expenses (including reasonable attorneys' fees and expenses) (collectively, "Losses") arising out of or relating to:

- a. any breach by Assignor of any representation, warranty, covenant, or agreement contained in this Agreement;
- b. any obligation or liability under or relating to the Assigned Contract to the extent arising, accruing, or relating to periods prior to the Effective Date (other than to the extent expressly assumed by Assignee under the Purchase Agreement); and
- c. any claims by third parties based on any alleged assignment, transfer, pledge, or encumbrance of the Assigned Contract by Assignor to any person or entity other than Assignee.

7.02 Indemnification by Assignee. Assignee shall indemnify, defend, and hold harmless Assignor and its affiliates, and each of their respective directors, officers, employees, agents, successors, and assigns (collectively, the "Assignor Indemnified Parties"), from and against any and all Losses arising out of or relating to:

- a. any breach by Assignee of any representation, warranty, covenant, or agreement contained in this Agreement; and
- b. any Assumed Obligations, including any failure by Assignee to pay, perform, discharge, or observe any of the Assumed Obligations as and when due in accordance with the Assigned Contract.

7.03 Indemnification by Counterparty. Counterparty shall indemnify, defend, and hold harmless Assignor, Assignee, and their respective affiliates, and each of their respective directors, officers, employees, agents, successors, and assigns, from and against any and all Losses arising out of or relating to:

- a. any breach by Counterparty of any representation, warranty, covenant, or agreement contained in this Agreement; and
- b. any breach by Counterparty of its obligations under the Assigned Contract, whether existing prior to or arising after the Effective Date.

7.04 Indemnification Procedures. The indemnified Party shall give the indemnifying Party prompt written notice of any third-party claim or direct claim for which indemnification is sought, and the Parties shall reasonably cooperate in the defense or settlement of such claim, with the indemnifying Party having the right to control the defense subject to customary protections for the indemnified Party.

7.05 No Double Recovery. Notwithstanding anything to the contrary contained herein, no Party shall be entitled to recover any Losses under this Agreement to the extent such Losses have already been recovered by such Party under the Purchase Agreement or any other agreement between the Parties, so as to prevent double recovery.

8.0 REMEDIES; EQUITABLE RELIEF

8.01 Cumulative Remedies. Except as expressly provided otherwise in this Agreement or the Purchase Agreement, all rights and remedies of the Parties under this Agreement are cumulative and in addition to, and not exclusive of, any rights or remedies available at law, in equity, or under any other agreement or instrument.

8.02 Specific Performance and Injunctive Relief. Each Party acknowledges and agrees that a breach or threatened breach of this Agreement may cause irreparable harm for which monetary damages would not be an adequate remedy. Accordingly, in the event of any such breach or threatened breach, each Party shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to seek specific performance, injunctive relief, or other equitable relief to enforce the provisions of this Agreement without the necessity of posting bond or proving actual damages.

8.03 Limitation on Consequential Damages. Except for (a) a Party's obligation to indemnify an indemnified Party hereunder with respect to third-party claims, or (b) damages arising from a Party's fraud, willful misconduct, or intentional breach, in no event shall any Party be liable to any other Party for any consequential, incidental, special, exemplary, or punitive damages arising out of or relating to this Agreement or the transactions contemplated hereby, whether based on contract, tort (including negligence), strict liability, or otherwise, and whether or not such damages are foreseeable.

9.0 NOTICES

9.01 Notices. All notices, consents, approvals, waivers, and other communications under this Agreement (each, a "Notice") shall be in writing and shall be deemed given:

- a. when delivered personally;
- b. when sent by electronic mail (with confirmation of transmission) if sent during normal business hours of the recipient, and if not, then on the next business day;
- c. one business day after being sent by a nationally recognized overnight courier service; or
- d. three business days after being mailed by registered or certified mail, return receipt requested, postage prepaid, in each case addressed to the relevant Party at its address set forth below (or to such other address as such Party may designate by Notice to the other Parties in accordance with this Section 9):
- e. If to Assignor:
Community System Solutions
7806 Juarez Way
Fair Oaks, CA 95628
Attention: Mike Bahr, CEO
Email: mike.bahr@cssgrants.org
- f. If to Assignee:
Crescent City 3rd Street LP
5251 Ericson Way
Arcata, CA 95521
Attention: Chris Dart
Email: cdart@danco-group.com
- g. If to Counterparty:
City of Crescent City
377 J Street
Crescent City, CA 95531
Attention: Eric Wier, City Manager
Email: ewier@crescentcity.org

9.02 Change of Address. Any Party may change its address or other contact information for Notice purposes by giving Notice of such change to the other Parties in accordance with this Section 9.01.

10.0 GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL

10.01 Governing Law. This Agreement and any dispute, controversy, claim, or cause of action (whether in contract, tort, or otherwise) arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, construed, and enforced in accordance with the internal laws of the State of California, without giving effect to any choice-of-law or conflict-of-law rules or

provisions that would require or permit the application of the laws of any other jurisdiction.

10.02 Jurisdiction and Venue. Each Party irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be brought exclusively in the state or federal courts located in Del Norte County, California. Each Party hereby irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding, waives any objection that it may now or hereafter have to the laying of venue in any such action or proceeding in such courts, and waives any claim that any such action or proceeding has been brought in an inconvenient forum.

10.03 Waiver of Jury Trial. Each Party knowingly, voluntarily, and irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, whether now existing or hereafter arising, and whether sounding in contract, tort, or otherwise. Each Party acknowledges that this waiver is a material inducement to the other Parties entry into this Agreement.

11.0 MISCELLANEOUS

11.01 Entire Agreement. This Agreement, together with the Assigned Contract (as between Assignee and Counterparty after the Effective Date) and the Purchase Agreement (as between Assignor and Assignee), constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, and representations, whether oral or written, relating to such subject matter. No Party has relied on any statement, representation, warranty, or agreement of any other Party or of any other person, except for those expressly contained in this Agreement or in the Purchase Agreement.

11.02 Amendments and Waivers. No amendment, modification, supplement, or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by each Party. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No failure or delay by any Party in exercising any right, power, or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy.

11.03 Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable under any applicable law, such provision shall be ineffective only to the extent of such invalidity, illegality, or unenforceability, and the remaining provisions of this Agreement shall remain in full force and effect. To

the extent permitted by applicable law, the Parties shall use their commercially reasonable efforts to replace any such invalid, illegal, or unenforceable provision with a valid, legal, and enforceable provision that, to the greatest extent possible, achieves the Parties original intent.

11.04 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign, delegate, or otherwise transfer this Agreement or any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other Parties; provided, however, that Assignee may assign this Agreement (together with the Assigned Contract) to an affiliate or to a successor in interest by way of merger, consolidation, or sale of all or substantially all of its assets, so long as such successor expressly assumes in writing all of Assignees obligations hereunder and under the Assigned Contract. Any attempted assignment in violation of this Section 11.04 shall be null and void.

11.05 No Third-Party Beneficiaries. Except as expressly provided in Section 7 with respect to indemnified parties, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, claim, or remedy of any nature whatsoever under or by reason of this Agreement.

11.06 Relationship of the Parties. Nothing in this Agreement shall be deemed or construed to create a partnership, joint venture, agency, or fiduciary relationship among the Parties. Each Party is an independent contractor and is not authorized to make any representation, contract, or commitment on behalf of any other Party, unless expressly authorized in writing.

11.07 Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Signatures delivered by facsimile, by electronic mail in portable document format (PDF), or by other electronic means intended to preserve the original graphic and pictorial appearance of a document shall be deemed to be original signatures for all purposes. The Parties acknowledge and agree that this Agreement may be executed and delivered by electronic signature in accordance with the California Uniform Electronic Transactions Act (California Civil Code section 1633.1 et seq.), and that any such electronic signatures shall be of the same legal effect, validity, and enforceability as manually executed signatures.

11.08 Time of the Essence. Time is of the essence with respect to all dates and time periods set forth or referred to in this Agreement.

11.09 Further Documentation of Assigned Contract. The Parties shall attach to this Agreement as “Exhibit A” a complete and legible copy of the Assigned Contract, including all exhibits, schedules, addenda, and amendments. In the event of any discrepancy between the description of the Assigned Contract in this Agreement and the document attached as Exhibit A, the document attached as Exhibit A shall control, except as expressly modified by this Agreement.

11.10 Drafting. Each Party acknowledges that it and its counsel have reviewed and participated in the drafting of this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be applied in the interpretation of this Agreement.

12.0 EFFECTIVE DATE; CONDITIONS PRECEDENT

12.01 Effective Date. This Agreement shall become effective on the date of recording.

12.02 Conditions Precedent. The recording of the Assignment, Assumption, and Novation contemplated by this Agreement is subject to the satisfaction or written waiver by the applicable Parties of the following conditions precedent:

- a. all conditions precedent to the closing under the Purchase Agreement that relate to the Assignment, Assumption, or Novation of the Assigned Contract shall have been satisfied or waived in accordance with the terms of the Purchase Agreement;
- b. all consents, approvals, and authorizations of third parties and governmental authorities required, if any, in connection with the Assignment, Assumption, and Novation of the Assigned Contract shall have been obtained and shall be in full force and effect; and
- c. no law, order, judgment, injunction, decree, or other legal restraint shall be in effect that prohibits, restricts, or makes illegal the consummation of the transactions contemplated by this Agreement.

13.0 ACKNOWLEDGMENT BY COUNTERPARTY

13.01 Acknowledgment. Counterparty acknowledges and agrees that:

- a. it has received a copy of this Agreement and the Purchase Agreement (to the extent relevant to the Assignment, Assumption, and Novation of the Assigned Contract);
- b. it has had the opportunity to consult with legal counsel of its choice regarding this Agreement, the Novation, and the substitution of Assignee for Assignor under the Assigned Contract;
- c. it fully understands and accepts the legal consequences of releasing Assignor (to the extent set forth herein) and looking solely to Assignee for performance of the Assigned Contract from and after the Effective Date; and

- d. it enters into this Agreement freely and voluntarily and without duress or undue influence.

13.02 No Defense Based on Assignment or Novation. Counterparty agrees that it shall have no defense, setoff, or counterclaim against Assignee under the Assigned Contract based solely on the fact of the Assignment, Assumption, or Novation, and that any defenses, setoffs, or counterclaims it may have under the Assigned Contract (if any) shall be enforceable against Assignee only to the same extent and in the same manner as such rights would have been enforceable against Assignor if the Assignment, Assumption, and Novation had not occurred.

IN WITNESS WHEREOF, the Parties have executed this Assignment, Assumption, and Novation Agreement this 4th day of May 2026.

ASSIGNOR:

COMMUNITY SYSTEM SOLUTIONS,
a California nonprofit corporation

By: _____
Michael Bahr, CEO

STATE OF CALIFORNIA }
COUNTY OF _____ }

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.

On _____ 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 signatures(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.

[seal]

Signature

ASSIGNEE:

CRESCENT CITY 3RD STREET LP,
a California limited liability company

By: Crescent City 3rd Street LLC,
a California limited liability company,
its Administrative General Partner

By: Danco Communities,
a California corporation,
Its Manager

By: _____
Daniel Johnson
President

By: Community Revitalization and Development
Corporation, a California nonprofit public
benefit corporation, its Managing General Partner

By: _____
Shelby Marocco
Vice President

STATE OF CALIFORNIA }
COUNTY OF _____ }

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.

On _____ 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 signatures(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.

[seal]

Signature

STATE OF CALIFORNIA }
COUNTY OF _____ }

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.

On _____ 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 signatures(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.

[seal]

Signature

CITY OF CRESCENT CITY,
a California municipal corporation

Eric Wier, City Manager

Martha D. Rice, City Attorney

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.

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 signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

[seal]

ASSIGNMENT, ASSUMPTION, AND NOVATION AGREEMENT PLHA / PIP LOAN DOCUMENTS

EXHIBIT A

- 1. PLHA / PIP Loan Agreement By and Between the City of Crescent City and Community Systems Solutions dated December 12, 2025**
- 2. Amendment No. 1 to PLHA / PIP Loan Agreement By and Between the City of Crescent City and Community Systems Solutions dated February 17, 2026**
- 3. Crescent City PLHA / PIP Promissory Note dated March 2, 2026 (\$1,032.371.43)**
- 4. Deed of Trust recorded March 18, 2026 (Doc# 20260750)**
- 5. Affordable Housing Covenant recorded March 18, 2026 (Doc# 20260751)**

**PLHA / PIP LOAN AGREEMENT BY AND BETWEEN
THE CITY OF CRESCENT CITY AND COMMUNITY SYSTEM SOLUTIONS**

THIS PLHA / PIP LOAN AGREEMENT (“Agreement”) is entered into by and between the City of Crescent City, a California municipal corporation (referred to herein as “CITY”), and Community System Solutions, a California nonprofit corporation (referred to herein as “DEVELOPER”).

RECITALS

WHEREAS, CITY has approximately one million dollars in Prohousing Incentive Program (PIP) and Permanent Local Housing Allocation (PLHA) funds from the California Department of Housing and Community Development (HCD) to loan to a developer to support the development of at least 4 affordable housing units for households earning up to 120% of AMI; and

WHEREAS, CITY issued a request for proposals for projects that would utilize HCD funding from PLHA and PIP to create affordable housing; and

WHEREAS, DEVELOPER’S proposed project was selected by CITY to receive the PLHA and PIP funds.

AGREEMENT

- 1. TERM.** This Agreement is effective as of the date of its execution and will continue in full force and effect until the obligations of the parties have been fulfilled hereunder.
- 2. LOAN.** Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties of DEVELOPER set forth in this Agreement, CITY agrees to make to DEVELOPER, and DEVELOPER agrees to accept from CITY, a loan (the “Loan”) in the principal amount of One Million Thirty-Two Thousand Three Hundred Seventy-One Dollars and Forty-Three Cents (\$1,032,371.43). The Loan amount includes \$383,099.10 from the City’s Permanent Local Housing Allocation (“PLHA Funds”) and \$649,272.33 in funds from the Prohousing Incentive Program (“PIP Funds”).
- 3. LOAN TERMS.**
 - 3.1 Purpose.** The purpose of this Loan is to provide funds to assist with the development of low- to moderate-income affordable housing. The Loan proceeds can be used for any of the following purposes:
 - 3.1.1 PLHA Funds.** PLHA Funds must be utilized in accordance with the terms and conditions contained in that certain Standard Agreement No. 23-

PLHA-18498 between HCD and CITY dated 09/19/2024 (“PLHA Standard Agreement”), attached hereto as **Exhibit A-1** and the Permanent Local Housing Allocation Final Guidelines, attached hereto as **Exhibit A-2**. These documents may be amended from time to time, and DEVELOPER must adhere to any amendments.

3.1.2 PIP Funds. PIP Funds must be utilized in accordance with the terms and conditions contained in that certain Standard Agreement No. 23-PIP-18478 between HCD and CITY dated 12/09/2024 (“PIP Standard Agreement”), attached hereto as **Exhibit B-1**, Prohousing Incentive Program Guidelines, attached hereto as **Exhibit B-2**, as well as the Permanent Local Housing Allocation Final Guidelines (**Exhibit A-2**). These documents may be amended from time to time, and DEVELOPER must adhere to any amendments.

3.2 Conditions of Disbursement. Loan disbursements will be made as follows:

3.2.1 PLHA Funds.

A. City will disburse \$326,988.10 in PLHA funds once DEVELOPER has fulfilled all the following conditions:

- i. submitted the performance promissory note(s) required herein to CITY;
- ii. executed and delivered the PLHA / PIP Loan Promissory Note to CITY;
- iii. executed and delivered the Deed of Trust to CITY;
- iv. obtained for the CITY, at DEVELOPER’S expense, the Title Policy insuring the Deed of Trust required herein; and
- v. executed and delivered the Affordable Housing Covenant to CITY.

B. City will disburse \$56,111.00 in PLHA funds to DEVELOPER upon receipt of said funds from HCD.

3.2.2 PIP Funds. DEVELOPER must submit a written disbursement request identifying the amount, purpose and proof of payment for eligible predevelopment costs to CITY for reimbursement on or before February 27, 2026. CITY will then submit the request to HCD. Upon receipt of payment from HCD (6-8 weeks), CITY will issue the reimbursement payment to DEVELOPER.

3.3 Security.

3.3.1 Performance Promissory Note. DEVELOPER must deliver one or more performance promissory notes in the total amount of \$649,272.33 in a form acceptable to CITY. The performance promissory note(s) will be

payable to CITY in the event DEVELOPER does not comply with the requirement to construct and receive certificate of occupancy for at least 4 affordable units for households earning up to 120% of AMI on or before June 1, 2030.

3.3.2 PLHA / PIP Loan Promissory Note & Deed of Trust. The Loan will be evidenced by a promissory note, attached hereto as **Exhibit C**, and secured by a deed of trust, attached hereto as **Exhibit D**. The deed of trust must be recorded on title to 964 Third Street, Crescent City [APN 118-120-025-000], the property upon which the development is to occur (the “Property”).

3.4 Repayment. Payments on the Loan will be deferred for 10 years from June 1, 2026. During this deferment period, the loan will accrue zero interest (0% per annum). After the Deferment Period, the Loan will begin accruing interest at the rate of 3% per annum and DEVELOPER must make payments in accordance with the terms of the PLHA/PIP Loan Promissory Note.

3.5 Forgiveness. At the end of the Deferment Period, DEVELOPER can apply to CITY for forgiveness of the Loan in accordance with the terms of the PLHA/PIP Loan Promissory Note.

4. DEVELOPER’S REPRESENTATIONS AND WARRANTIES. DEVELOPER represents and warrants the Loan proceeds will be used exclusively for eligible activities under the PLHA Standard Agreement and the PIP Standard Agreement. In addition, DEVELOPER makes the following warranties and representations.

4.1 Project Description. DEVELOPER warrants and represents that it intends to build a mixed use, infill housing development at 964 Third Street, Crescent City, California (the “Project”), which will create 27 residential units and street-level retail and office space. Twenty-seven of these apartments will be affordable units for low- to moderate-income households. The affordable unit mix includes one-, two- and three-bedroom apartments affordable to households earning 50-120% AMI. Apartments will feature balconies, energy-efficient appliances, and durable materials designed for long-term affordability and comfort. The Project aims to revitalize one parcel consisting of .51 acres [APN 118-120-025-000] within the C-1 zoning district. Any changes to the project as described in this project description must be approved by the CITY. Such approval shall not be unreasonably withheld.

4.2 Mandatory Development. DEVELOPER represents and warrants that it will construct a minimum of 4 affordable units for households earning up to 120% AMI on or before June 1, 2030. In the event that this requirement is not met,

DEVELOPER will transfer all entitlements, project documents (architectural renderings, engineered plans, environmental analyses, and the like) and legal title to the Property to CITY.

4.3 Affordability. DEVELOPER warrants and represents that 4 of the 27 residential units will be offered at affordable rents to households earning up to 120% AMI for a period of 55 years.

4.4 Affordable Housing Covenant. DEVELOPER will execute an Affordable Housing Covenant, attached hereto as **Exhibit E**, and record it against the Property.

5. DEFAULT & REMEDIES.

5.1 Events of Default. Failure or delay by either party to perform any material term or provision of this Agreement constitutes a default under this Agreement. The party who fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence and during any period of curing shall not be in default.

5.2 Written Notice. The injured party shall give written notice of default to the party in default specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until ninety (90) days after giving such notice; provided, however, that if such event of default cannot be cured within such ninety (90) calendar day period and the party in default has diligently commenced efforts to cure, the party in default shall have such reasonable time as is necessary to diligently prosecute such cure to completion. Failure or delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

5.3 No Waiver of Default. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive such party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert or enforce any such rights or remedies.

5.4 Remedies. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, or recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the

same time or different times, of any other rights or remedies for the same default or any other default by the other party.

- 6. NOTICES.** All notices or demands required or permitted to be given under this Agreement must be in writing and sent by United States mail, postage prepaid, certified, or by personal delivery, or by overnight courier, addressed to the other party as set forth below or at such other places as may be designated in notice to the other party given as provided herein. Notice shall be deemed effective upon actual receipt, if personally delivered, on business day following deposit with Federal Express or other reputable, nation overnight courier that provides a receipt, or on the third day following deposit in the United States mail in the manner described above.

TO CITY:

City of Crescent City
Attn: City Manager
377 J Street
Crescent City, CA 95531

TO DEVELOPER:

Community System Solutions
Attn: Michael Bahr, CEO
7806 Juarez Way
Fair Oaks, CA 95628

7. SPECIAL PROVISIONS.

7.1 Insurance. In connection with the Project, DEVELOPER shall maintain, with financially sound and reputable insurers, insurance with respect to its Project properties and business against such casualties and contingencies, of such types (as fire and public liability, including products liability) and in such amounts as is customary in the case of businesses of established reputations engaged in the same or a similar business and similarly situated (but not less than, in the case of casualty insurance, the fair value of the insured property); and DEVELOPER shall, upon request of CITY, deliver to it copies of the policies concerned, and, in any event, DEVELOPER shall promptly notify CITY of the cancellation or modification of any insurance coverage required hereby.

7.2 Collection Costs. If CITY incurs any legal or other expense in protecting or enforcing its rights hereunder or under any of the security documents, in addition to any other sum which DEVELOPER may be required to pay, DEVELOPER shall pay to CITY the amount of such legal or other expense.

8. GENERAL PROVISIONS.

8.1 Exhibits. The following exhibits are attached hereto and incorporated by this reference as though set forth fully herein:

A-1: PLHA Standard Agreement No. 23-PLHA-18498

A-2: Permanent Local Housing Allocation Final Guidelines

B-1: PIP Standard Agreement No. 23-PIP-18478

B-2: Prohousing Incentive Program Guidelines

C: PLHA / PIP Loan Promissory Note

D: Deed of Trust

E: Affordable Housing Covenant

8.2 Independent Contractor. In the performance of the services in this Agreement, DEVELOPER is an independent contractor and is not an agent or employee of CITY. DEVELOPER, its officers, employees, agents, and subcontractors, if any, have no power to bind or commit CITY to any decision or course of action, and must not represent to any person or business that they have such power. DEVELOPER has the right to exercise full control of the supervision of the services and over the employment, direction, compensation, and discharge of all persons assisting DEVELOPER in the performance of said service hereunder. DEVELOPER is solely responsible for all matters relating to the payment of its employees, including compliance with social security and income tax withholding, workers' compensation insurance, and all other regulations governing such matters.

8.3 No Implied Waiver. Waiver by either party of any default, breach, or condition precedent may not be construed as a waiver of any other default, breach, or condition precedent or any other right under this Agreement. The failure of either party at any time to require performance by the other party of any provision hereof will not affect in any way the right to require such performance at a later time.

8.4 Russian Sanctions. RUSSIAN SANCTIONS. On March 4, 2022 Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. The EO is located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. As a CITY contractor, compliance with the economic sanctions imposed in response to Russia's action in Ukraine is required, including with respect to, but not limited to, the federal executive orders identified in the EO and the sanctions identified on the U.S. Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). Failure to comply may result in termination of this Agreement.

8.5 Indemnification. DEVELOPER agrees to indemnify, defend and save harmless CITY, its elected and appointed officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting to any person or other legal entity who may be injured or damaged resulting from any wrongful acts, errors and omissions, or negligence of DEVELOPER, its agents and

employees, pertaining to the performance of this Agreement. DEVELOPER'S liability arising out of the performance of its obligations hereunder will be limited to the fees paid by CITY to DEVELOPER for services contemplated by this Agreement. This liability limitation does not apply to claims made by any third party, nor does it apply in the event of the willful misconduct or gross negligence of DEVELOPER, its principals, employees or agents.

- 8.6 Conflict of Interest.** DEVELOPER must exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with CITY's interest. DEVELOPER must immediately notify CITY of any and all violations of this Section upon becoming aware of such violation.
- 8.7 Time of the Essence.** DEVELOPER understands and agrees that time is of the essence in the completion of the work and services described herein.
- 8.8 Survival.** Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.
- 8.9 Severability.** If a court of competent jurisdiction or subsequent preemptive legislation holds or renders any of the provisions of this Agreement unenforceable or invalid, the validity and enforceability of the remaining provisions, or portions thereof, will not be affected.
- 8.10 Representation.** DEVELOPER acknowledges that its representatives have consulted with separate legal, tax and financial counsel about the terms of this Loan, including but not limited to the tax effects of any forgiveness of principal or interest due under the PLHA / PIP Loan Promissory Note.
- 8.11 Governing Law & Venue.** This Agreement must be administered and interpreted under California law as written by both parties. Any litigation arising from this Agreement must be brought in the Superior Court of California, in and for Del Norte County, or the United States District Court for the Northern District of California, as applicable.
- 8.12 Successors Bound.** The covenants and agreements contained in this Agreement shall bind, and the rights hereunder shall inure to the benefit of, the respective successors and assigns of CITY and DEVELOPER.
- 8.13 Attorneys' Fees.** If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action will be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

8.14 No Assignment. This Agreement and any amendments hereto are not assignable by DEVELOPER either voluntarily or by operation of law without the prior written consent of CITY. Any attempt to assign this Agreement without prior permission will be legally void.

8.15 No third-Party Beneficiaries. There are no third-party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto (and their respective successors, heirs and permitted assigns), any rights, remedies, obligations or liabilities.

8.16 Integration. This Agreement constitutes the entire agreement of the parties and supersedes and prior negotiations, agreements, understandings, representations or statements.

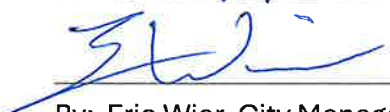
8.17 Authorization to Execute. The signatories to this Agreement hereby represent and warrant that they have been duly authorized to legally bind and execute this Agreement on behalf of their respective parties.

9. ELECTRONIC SIGNATURES. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with California's Uniform Electronic Transactions Act Cal. Civ. Code 1633.1, et seq.) or other transmission methods, and any counterpart so delivered shall be deemed to have been duly delivered and valid and effective for all purposes.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the last date written below at Crescent City, California.

CITY OF CRESCENT CITY:

Date: 12/2/2025

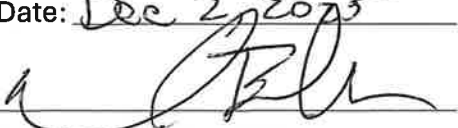

By: Eric Wier, City Manager

APPROVED AS TO FORM:


Martha D. Rice, City Attorney

COMMUNITY SYSTEM SOLUTIONS:

Date: Dec 2, 2015



By: Michael Bahr, CEO

Exhibit A-1: PLHA Standard Agreement No. 23-PLHA-18498

[see attached]

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME
City of Crescent City

2. The term of this Agreement is:

START DATE
Upon HCD Approval

THROUGH END DATE
06/30/2030

3. The maximum amount of this Agreement is:
\$344,198.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	PLHA Program Terms and Conditions	9
Exhibit E	Program-Specific Provisions and Special Conditions	2
TOTAL NUMBER OF PAGES ATTACHED		19

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership,etc.)

City of Crescent City

CONTRACTOR BUSINESS ADDRESS 377 J Street	CITY Crescent City	STATE CA	ZIP 95531

PRINTED NAME OF PERSON SIGNING 	TITLE City Manager
CONTRACTOR AUTHORIZED SIGNATURE 	DATE SIGNED 9/13/24

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS 651 Bannon Street, 8th Floor	CITY Sacramento	STATE CA	ZIP 95811

PRINTED NAME OF PERSON SIGNING Crystal Alvarez	TITLE Contract Services Section Manager
CONTRACTING AGENCY AUTHORIZED SIGNATURE 	DATE SIGNED 09/19/2024

California Department of General Services Approval (or exemption, if applicable)

EXHIBIT A**AUTHORITY, PURPOSE AND SCOPE OF WORK****1. Authority**

Pursuant to Part 2 Chapter 2.5 of Division 31 of the Health and Safety Code (commencing with Section 50470) Statutes of 2017 (SB 2, Atkins), which created the Building Homes and Jobs Trust Fund and the Permanent Local Housing Allocation ("PLHA") Program ("Program"), this Standard Agreement along with all its exhibits (the "Agreement") is entered under the authority of and in furtherance of the Program. Pursuant to Health and Safety Code, Section 50470 (b), the California Department of Housing and Community Development (referred to herein as "HCD" or "Department") has issued a Notice of Funding Availability (the "NOFA"), dated December 29, 2024, to govern administration of the fund and carry out the Program.

2. Purpose

In accordance with the authority cited above, an application was made to the State (the "Application") for assistance from the Program for the purpose of making funding available to eligible local governments in California for housing related projects and programs that assist in addressing the unmet housing needs of their local communities. By entering into this Agreement and thereby accepting the award of the PLHA grant funds (the "Grant"), the Contractor (sometimes referred to herein as the "Applicant") agrees to comply with the terms and conditions of the NOFA, this Agreement, the representations contained in the Application, and the requirements of the authorities cited above.

3. Definitions

Capitalized terms not otherwise defined herein shall have the meaning of the definitions set forth in Health and Safety Code Section 50470 and Section 101 of the Guidelines.

4. Scope of Work

- A. The scope of work ("Work") for this Agreement shall consist of one or more of the following eligible uses:
 - 1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.

Permanent Local Housing Allocation (PLHA) Program – Grant

NOFA Date: (RD 1) 02/26/2020, (RD 2) 05/03/2021 (RD 3) 08/17/2022 (RD 4) 12/29/2023

Approved Date: 10/05/2020

Prep. Date: 07/12/2024

EXHIBIT A

- 2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for a term of no less than thirty days.
- 3) Matching portions of funds placed into local or regional housing trust funds.
- 4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- 5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- 6) Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - a) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
 - b) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).

EXHIBIT A

- 7) Accessibility modifications in Lower-income Owner-occupied housing.
 - 8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
 - 9) Homeownership opportunities, including, but not limited to, down payment assistance.
 - 10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low interest deferred loan to the Affordable housing Project.
- B. A Local government that receives an allocation shall use no more than five percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
- C. Two or more local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
- D. Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

EXHIBIT A

5. Department Contract Coordinator

The Department's Contract Coordinator for this Agreement is the Division of Financial Assistance, Grant Management Section PLHA Manager or their designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development
Attention: Permanent Local Housing Allocation (PLHA)
Grant Management Section, Suite 400
651 Bannon Street, 8th Floor
Sacramento, CA 95811
P. O. Box 952054
Sacramento, CA 94252-2054

6. Contractor Contract Coordinator

The Contractor's contract coordinator for this Agreement is the Authorized Representative listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement may be mailed by first class mail, or sent through a commercial courier to the Authorized Representative at the following address:

Authorized Representative Name:	Eric Wier
Authorized Representative Title:	City Manager
Agency Name:	City of Crescent City
Address:	377 J Street Crescent City, CA 95531
Phone No.:	(707) 464-7483
Email Address:	ewier@crescentcity.org

7. Effective Date, Term of Agreement, and Deadlines

- A. This Agreement is effective upon approval by the Department, which is the date executed by all parties (such date, the "Effective Date").
- B. This Agreement shall terminate on June 30, 2030.

EXHIBIT A

- C. Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.
- D. Any Grant funds which have not been expended by the expenditure deadline shall be disencumbered and revert to the Department. The expenditure deadline is fifty-eight months from the date of the budget appropriation for each year of funds included in this Agreement.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

The budget detail is contained in Exhibit E in this Agreement.

Contractor will be responsible for maintaining oversight of grant amounts and determining whether an amended PLHA Plan is required due to reallocation of more than ten percent among Activities funded per Section 302(c)(5).

2. Conditions of Disbursement

Prior to receiving any Grant funds, the Contractor shall submit the following for the Department's approval:

- A. Government TIN Form, as applicable.
- B. No funding will be disbursed to Contractor unless Contractor and any delegating Local government has an approved Housing Element and is in compliance with the Housing Element Annual Progress Report requirements, pursuant to PLHA Program Guidelines section 302(a) and (b).
- C. Contractor shall not be eligible to receive a new allocation if the Contractor has accrued an uncommitted amount of four times the pending allocation if the pending allocation is \$125,000 or less; or \$500,000 if the pending allocation is greater than \$125,000 and less than \$500,000; or the amount of the pending allocation if the allocation is \$500,000 or more.

3. Performance

- A. All funds must be disbursed within fifty-eight months of the budget appropriation. Funds that are not disbursed within fifty-eight months of the budget appropriation will revert to the Housing Rehabilitation Loan Fund.

EXHIBIT B

- B. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be reduced proportionate to those years already allocated, calculated at the time that the appropriation is reduced or terminated and reduced accordingly. All subsequent years shall be terminated, and the grant agreement shall be of no further force and effect, after amounts due for the period upon the reduced appropriation or termination are returned by the Contractor to the State. In this event, the State and Contractor shall be relieved of any and all obligations under this Agreement. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the Agreement and amount allocated to Contractor.

4. Fiscal Administration

- A. The Contractor may request a disbursement of 100 percent of total awarded Grant funds after executing the Standard Agreement. Administrative costs related to the planning and execution of eligible activities shall not exceed five percent of the Grant amount.
- B. A separate checking account for the Grant funds is not required. However, the Contractor shall deposit Grant funds in an interest-bearing checking or savings account insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for eligible Program activities and accounted for in Contractor's annual report.
- C. The Contractor shall make a good faith effort to minimize the number of disbursement requests by anticipating and requesting funds in advance.
- D. The Contractor may request that Grant funds awarded for a certain eligible activity be moved to another activity without an amendment to this Agreement. This request must be made in writing to HCD if the change from one activity to another exceeds ten percent of the grant amount and shall be effective only upon written HCD approval. HCD's decision to approve or deny any such request shall be final, absent fraud, mistake or arbitrariness per Section 302(c)(5).

EXHIBIT B

5. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the subsequent years covered under this Agreement does not appropriate sufficient funds for the program this Agreement shall remain in force and effect until the time of notice of reduced or terminated appropriation, The Agreement shall be terminated by the State by providing Contractor written notice of not less than thirty days prior to the effective date of the termination. In the event of termination by the State due to lack of Budget appropriation, the State and Contractor shall be relieved of any and all obligations under this Grant Agreement on the effective date of termination and the Contractor shall return the amount for subsequent year allocations.
- B. Subject to Section 5A. above, if funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the current Grant Agreement and amount allocated to Contractor.

EXHIBIT D

PLHA PROGRAM TERMS AND CONDITIONS

1. Effective Date, Commencement of Work

This Agreement is effective upon the date of the Department representative's signature on page one of the fully executed Standard Agreement, STD 213. Contractor agrees that work under this agreement shall not commence until execution of the STD 213, (the "Effective Date").

2. Strict Compliance

Contractor will strictly comply with the terms, conditions and requirements of the Permanent Local Housing Allocation (PLHA) Statutes, Guidelines, the Notice of Funding Availability (NOFA), and this Agreement.

3. Contractor's Application for Funds

- A. Contractor has submitted to the Department an Application for a Grant under the Program. The Department is entering into this Agreement based on, and in substantial reliance upon, Contractor's facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by the Department. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.
- B. Contractor warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of Contractor's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect the Department's approval, disbursement, or monitoring of the funding and the Grants or activities governed by this Agreement, then the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

EXHIBIT D

4. **Eligible Activities**

Grant funds awarded to the Contractor and expended by either the Contractor or any entity to which Contractor awards funds shall be used for the eligible activities set forth in Exhibit A as required by the PLHA Statutes. The following additional requirements shall apply:

- A. Each Contractor shall submit a Plan detailing:
 - 1) The manner in which allocated funds will be used for eligible activities.
 - 2) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below sixty percent of AMI. Programs targeted at households at or below sixty percent of AMI will be deemed to meet this requirement.
 - 3) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
 - 4) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
 - 5) The following for each proposed Activity:
 - a) A description of each proposed Activity, pursuant to Section 301 of the Guidelines and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to Affordable Owner-Occupied Workforce Housing (AOWH).
 - b) The projected number of households to be served at each income level and a comparison to the unmet share of the Regional Housing Needs Allocation (RHNA) at each income level.
 - c) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
 - d) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least fifty-five years.

EXHIBIT D

- 6) The Plan is required to be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than ten percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- 7) If funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
 - a) PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with the Eligible Activities per Section 301 of the Guidelines; or,
 - b) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or,
 - c) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds of the equity-sharing agreement consistent with the Eligible Activities per Section 301 of the Guidelines.
- 8) If funds are used for the development of an affordable rental housing project, the Local government shall make the PLHA assistance in the form of a loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust.
- 9) A program income reuse plan describing how repaid loans shall be reused for eligible activities specified in Section 301 of the Guidelines.

EXHIBIT D

5. **Core Practices**

- A. A Contractor or Subrecipient must provide eligible activities in a manner consistent with the housing first practices described in California Code of Regulations, title 25, section 8409(b)(1)-(6). A Contractor or Subrecipient allocated funds for eligible activities that provide permanent housing shall incorporate the core components of Housing First as provided in Section 8255(b) of the Welfare and Institutions Code.

6. **Monitoring Grant Activities**

- A. Contractor shall monitor the activities selected and awarded by them to ensure compliance with PLHA requirements. An onsite monitoring visit of Subrecipients and any other service providers shall occur whenever determined necessary by the Contractor, but at least once during the Grant period.
- B. The Department will monitor the performance of the Contractor based on a risk assessment and according to the terms of this Agreement. The Department may also monitor any Subrecipients of the Contractor as the Department deems appropriate based on a risk assessment.
- C. As requested by the Department, the Contractor shall submit to the Department all PLHA monitoring documentation necessary to ensure that Contractor and its Subrecipients are in continued compliance with PLHA requirements. Such documentation requirements and the submission deadline shall be provided by the Department at the time such information is requested from the Contractor.

7. **Reporting/Audits**

- A. Commencing with the Effective Date of this Agreement and continuing through the Expiration Date, the Contractor shall submit an annual report to the Department by July 31 of each year that reports all activities from the previous fiscal year (7/1–6/30), on forms provided by the Department.

The first report will be due on July 31, 2025 and will report all activities from date of initial fund disbursement through June 30, 2025.

- B. The annual report shall contain a detailed report which must include, at a minimum:

- 1) Identification of the Eligible Activities to which the Contractor committed program funds, and the income levels of households assisted.

EXHIBIT D

- 2) Amounts awarded to Subrecipients with the activity(ies) identified;
 - 3) Identification of the Eligible Activities upon which the Contractor expended program funds, and the income levels of households assisted and the affordability level for any units assisted; and,
 - 4) Close out report for contracts that were fully expended and in which all activities funded were completed during the fiscal year.
- C. The Department may request additional information as needed to meet other applicable reporting or audit requirements.
- D. The Contractor is responsible for the completion of audits and all costs of preparing audits.
- E. The Department reserves the right to perform or cause to be performed a financial audit. At the Department's request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- F. If a financial audit is required by the Department, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in 24 CFR 85.36.
- 1) The Contractor shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the Department to the independent auditor's working papers.
 - 2) The Contractor is responsible for the completion of audits and all costs of preparing audits.
 - 3) If there are audit findings, the Contractor must submit a detailed response acceptable to the Department for each audit finding within ninety (90) days from the date of the audit finding report.

8. Retention and Inspection of Records

- A. The Contractor is responsible for maintaining records, which fully disclose the activities funded by the Grant. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to Grant funds.

EXHIBIT D

- B. The Contractor agrees that the Department or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Contractor agrees to provide the Department or its designee, with any relevant information requested. The Contractor agrees to permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the PLHA Statutes, the NOFA, and this Agreement.
- C. The Contractor further agrees to retain all records for a period of five years after the end of the term of this Agreement:
- 1) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues, which arise from it.
 - 2) The Contractor also agrees to include in any contract that it enters into in an amount exceeding \$10,000, the Department's right to audit the contractor's records and interview their employees. The Contractor shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Code Section 10115.10.
- D. The determination by the Department of the eligibility of any expenditure shall be final. If the eligibility of any expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and HCD shall determine the reimbursement method for the amount disallowed.
- E. The Contractor shall retain all books and records relevant to this Agreement for a minimum of five years after the end of the term of this Agreement. Records relating to any and all audits or litigation relevant to this Agreement shall be retained for five years after the conclusion or resolution of the matter.

9. Breach and Remedies

- A. The following shall each constitute a breach of this Agreement:
- 1) Contractor's failure to comply with the terms of this Agreement.

EXHIBIT D

- 2) Use of, or permitting the use of, Grant funds provided under this Agreement for any ineligible costs or for activities not approved under this Agreement.
 - 3) Any failure to comply with the deadlines set forth in this Agreement.
- B. In addition to any other remedies that may be available to the Department in law or equity for breach of this Agreement, the Department may:
- 1) Bar the Contractor from applying for future PLHA and other HCD funds;
 - 2) Revoke any other existing PLHA award(s) to the Contractor;
 - 3) Require the return of any unexpended PLHA funds disbursed under this Agreement;
 - 4) Require repayment of PLHA funds disbursed and expended under this agreement;
 - 5) Require the immediate return to the Department of all funds derived from the use of PLHA funds including, but not limited to recaptured funds and returned funds;
 - 6) Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with the PLHA Program requirements; and,
 - 7) Seek such other remedies as may be available under the relevant agreement or any law.
- C. All remedies available to the Department are cumulative and not exclusive.
- D. The Department may give written notice to the Contractor to cure the breach or violation within a period of not less than fifteen days.

EXHIBIT D

10. Termination

- A. The Department may terminate this Agreement at any time for cause by giving a minimum of thirty days' notice of termination, in writing, to the Contractor. Cause shall consist of, violations of any terms and/or special conditions of this Agreement, the PLHA Statutes, or the NOFA. Upon termination of this Agreement, unless otherwise approved in writing by the Department, any unexpended funds received by the Contractor shall be returned to the Department within thirty days of the notice of termination.
- B. This Agreement is subject to any additional restrictions, limitations or conditions, or statute, regulations or any other laws, whether federal or those of the State of California, or of any agency, department, or any political subdivision of the federal or the State of California governments, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. The Department has the option to terminate this Agreement under the thirty-day cancellation clause or to amend this Agreement to reflect any reduction of funds.

11. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Contractor of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

12. Relocation

Contractor shall comply with all requirements of applicable California relocation law (Gov. Code, § 7260 et seq. and the regulations promulgated thereunder at Cal. Code Regulations, Title. 25, § 6000 et seq.). Any relocation plan for the Development shall be subject to the review and approval by the State.

EXHIBIT D

13. Special Conditions Contractors and Subrecipients

The Contractor agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit E. These conditions shall be met to the satisfaction of the Department prior to disbursement of funds. The Contractor shall ensure that all Subrecipients are made aware of and agree to comply with all conditions of this Agreement and the applicable State requirements governing the use of Grant funds. The Contractor shall ensure that all Subrecipients are qualified to do business and in good standing with the California Secretary of State and the California Franchise Tax Board. Failure to comply with these conditions may result in cancellation of this Agreement.

14. Compliance with State and Federal Laws, Rules, Guidelines and Regulations

The Contractor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Grant, the Contractor, its Subrecipients, and any other Grant activity.

15. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Contractor shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

EXHIBIT E

PROGRAM-SPECIFIC PROVISIONS AND SPECIAL CONDITIONS

1. Program-Specific Provisions

The following are project-specific terms and conditions (referred to as enumerated provision(s) for ease of reference in prior exhibits) and shall inform the references made to project-specific information not contained in those prior exhibits.

Budget Detail:

Contractor has been awarded the following grant activity amounts for 2020: **\$125,660**

Contractor has been awarded the following grant activity amounts for 2021: **\$142,274**

Contractor has been awarded the following grant activity amounts for 2022: **\$76,264**

Estimated five-year allocation may not exceed: **\$485,092**

Payees:

A. The authorized Payee(s) is/are as specified below:

Name: **City of Crescent City**

Total Amount: **\$344,198**

Plan:

Activity 1- The City of Crescent city plans to direct 100% of the City's PLHA funding to Activity (1) to the development of new affordable rental housing projects serving households earning up to 120% of the Area Median Income.

Funding Allocation Year	2019	2020	2021	2022	2023
Type of Activity	N/A	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing
Percentage of Funds Allocated for Each Activity	N/A	95%	95%	95%	95%
Area Median Income Level Served	N/A	120%	120%	120%	120%
Administrative Costs	N/A	5%	5%	5%	5%

EXHIBIT E

Total	N/A	100%	100%	100%	100%

2. Special Conditions

The following Special Conditions are applicable to this Standard Agreement:

None.

Exhibit A-2: Permanent Local Housing Allocation Final Guidelines

[see attached]

**Permanent Local Housing Allocation
Final Guidelines**



**Gavin Newsom, Governor
State of California**

**Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 150
Sacramento, CA 95833

October 2019

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations ... have the dignity of statutes ... [and]... delegation of legislative authority includes the power to elaborate the meaning of key statutory terms...

Ramirez v. Yosemite Water Co., 20 Cal. 4th 785, 800 (1999)

In consultation with stakeholders, the California Department of Housing and Community Development (Department) may adopt Guidelines to implement this Section, including determining allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the Department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Title 2 Government Code, Part 1 of Division 3).

NOTE: Authority Cited: Health and Safety Code Section 50470, subdivision (d).

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

INTRODUCTION

Chapter 364, Statutes of 2017 (SB 2, Atkins) was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use 70 percent of the revenue collected, beginning in calendar year 2019, to provide financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities. This program is hereafter referred to as the Permanent Local Housing Allocation (PLHA) program.

Guidelines for the PLHA program are organized into five Articles as follows:

Article I. General provisions: This article includes information on the purpose of the Guidelines, program objectives, and definitions used throughout the document.

Article II. Program funding: This article describes allocation formulas and methodologies, and award amounts.

Article III. Formula allocation component: This article describes the requirements for Applicants to apply for funds under the formula allocation of the PLHA program.

Article IV. Competitive allocation component: This article describes requirements and uses for PLHA competitive allocation funds.

Article V. Administration: This article describes administrative functions such as terms, non-performance remedies, and reporting and monitoring requirements.

Permanent Local Housing Allocation (PLHA) Program: 2019 Guidelines

Table of Contents

ARTICLE I. GENERAL PROVISIONS	5
Section 100. Purpose and Scope	5
Section 101. Definitions	5
ARTICLE II. PROGRAM FUNDING	9
Section 200. Allocations	9
Section 201. Award Amounts	10
ARTICLE III. FORMULA ALLOCATION COMPONENT	11
Section 300. Eligible Applicants	11
Section 301. Eligible Activities	12
Section 302. Threshold Requirements	13
Section 303. Application Review	16
Section 304. Deadlines and Funding Requirements	17
ARTICLE IV. COMPETITIVE ALLOCATION COMPONENT	17
Section 400. Eligible Applicants	17
Section 401. Eligible Activities	18
Section 402. Threshold Requirements	18
Section 403. Selection Criteria	20
Section 404. Application Review	22
Section 405. Deadlines and Funding Requirements	23
ARTICLE V. ADMINISTRATION	23
Section 500. Accounting Records	23
Section 501. Audits/Monitoring of Project Files	24
Section 502. Cancellation and Termination	25
Section 503. Reporting	26

ARTICLE I. GENERAL PROVISIONS

Section 100. Purpose and Scope

- (a) These Guidelines (hereinafter “Guidelines”) implement, interpret, and make specific Chapter 364, Statutes of 2017 (SB 2, Atkins - hereinafter “SB 2”) as authorized by Health and Safety Code (HSC) Section 50470, which created the Building Homes and Jobs Trust Fund and the PLHA program. The principal goal of this program is to make funding available to eligible local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Twenty percent of the funding in the Building Homes and Jobs Trust Fund is required to be expended for Affordable Owner-Occupied Workforce Housing, and the program prioritizes investments that increase the supply of housing to households that are at or below 60 percent of the Area Median Income (AMI), adjusted for household size.
- (b) These Guidelines establish terms, conditions, and procedures for local governments to submit applications to the Department for funds from the PLHA program’s three components, as listed below:
 - (1) Entitlement formula component per HSC 50470(b)(2)(B)(i)(I)
 - (2) Non-entitlement formula component per HSC 50470(b)(2)(B)(i)(II)
 - (3) Non-entitlement competitive grant program component per HSC 50470(b)(2)(B)(i)(I) (eligible Applicants are the same as for component 2 above)
- (c) The non-entitlement competitive grant program component prioritizes assistance to persons experiencing or At risk of homelessness.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A), subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(I-V).

Section 101. Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in HSC Section 50470.

- (a) “Accessory dwelling unit” (ADU) means a dwelling unit which is attached, detached or located within the living area of the existing dwelling or residential dwelling unit and which provides complete independent living facilities for one or more persons pursuant to Government Code (GC) Section 65852.2 and 65852.22. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling. An Accessory dwelling unit also includes the following: an efficiency unit, as defined in Section 17958.1 of the HSC, or a manufactured home, as

defined in Section 18007 of the HSC.

(b) "Activity" means any single eligible undertaking carried out as part of an Applicant's allocation(s) under the Program.

(c) "Affordable" means a housing unit that satisfies at least one of the following criteria:

1. If the unit is being rented to low-income, Very low-income or Extremely low-income households, it complies with the Multifamily Housing Program guidelines Section 7312 and the Section 7301 definition of "Affordable Rent"; or
2. If the unit is being sold, it is offered at an "Affordable housing cost", as published in the Fannie Mae Selling Guide, Part B, Debt to Income Ratios, as updated annually (<https://www.fanniemae.com/content/guide/selling/b3/6/02.html#DTI.20Ratios>), and it complies with the income limits stated in the definitions of Moderate-Income and Lower-Income in this section; or
3. If the unit is being rented to Moderate-Income households, it is available at a gross rent, including a utility allowance, that does not exceed 30 percent of the applicable income eligibility level, and complies with the definition of Moderate-Income in these guidelines

(d) "Affordable Owner-Occupied Workforce Housing" (AOWH) means owner-occupied housing per HSC Section 50092.1 that is affordable to persons and families of low or moderate income, as that term is defined in HSC Section 50093, except in High-cost areas where Moderate-income shall include households earning up to 150 percent of AMI.

(e) "Annual Progress Report" (APR) means the Housing Element APR required by GC Section 65400 on the prior year's activities and due to the Department April 1 of each year.

(f) "Annual Report" means a form issued by the Department and completed by a Local government awarded PLHA funds on which the Local government documents the uses and expenditures of any allocated funds and outcomes achieved.

(g) "Applicant" means an eligible Local government applying for the program to administer one or more eligible activities. Applicant also means a Local or Regional Housing Trust Fund delegated by an eligible Local government to apply for the program and administer its allocation in accordance with all program rules.

- (h) “Area Median Income” or “AMI” means the most recent applicable county median family income published by the Department, available at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>
- (i) “At risk of homelessness” means the same as defined in Title 24 Section 578.3 of the Code of Federal Regulations and also includes any household receiving rental assistance funded by the California Emergency Solutions and Housing (CESH) program or the California Homeless Emergency Aid Program (HEAP).
- (j) “Capitalized Reserve for Services” means the reserve funded by the Local government pursuant to Section 301(a)(5) to address project supportive service budget deficits attributable to shortfalls in service funding sources.
- (k) “Comprehensive Housing Affordability Strategy” or “CHAS” means annual data compiled by the United States Census Bureau for the U.S. Department of Housing and Urban Development (HUD) to document the extent of housing problems and housing needs, particularly for low-income households.
- (l) “Community Development Block Grant” or “CDBG” means the program created pursuant to Title I of the Housing and Community Development Act of 1974, 42 U.S.C. 5301 et seq., as amended.
- (m) “Department” means the California Department of Housing and Community Development.
- (n) “Extremely Low Income” has the meaning set forth in HSC Section 50106, which is a maximum of 30 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (o) “Fund” means the Building Homes and Jobs Trust Fund pursuant to HSC Section 50470.
- (p) “High-cost area” means those counties defined as high cost by the Federal Housing Finance Agency (at: <https://www.fhfa.gov/DataTools/>) and those counties for which HUD adjusted the Very low income and low-income rents due to high costs (at: https://www.huduser.gov/portal/pdrdatas_landing.html), as published by the Department in the annual PLHA Notice of Funding Availability.
- (q) “Local government” means any city, including a charter city, any county, including a charter county, or a city and county, including a charter city and county.

- (r) "Local Housing Trust Fund" or "Regional Housing Trust Fund" means a public, joint public and private fund or charitable nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific revenue to address local or regional housing needs.
- (s) "Low or Lower Income" has the meaning set forth in HSC Section 50079.5, which is a maximum of 80 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (t) "Moderate-Income" has the meaning set forth in HSC Section 50093, which is a maximum of 120 percent AMI, or in High-cost areas, 150 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (u) "Non-entitlement local government" means a Local government in an area which is not a metropolitan city or part of an urban county, a Local government that, as of September 1, 2017, was an incorporated city with a population of less than 50,000 or a county with an unincorporated area population of less than 200,000 persons which had not entered into a three-year Urban County Cooperation Agreement, or a Local government that was not otherwise entitled to receive CDBG funds directly from HUD.
- (v) "Operating subsidies" means payments to owners of affordable housing developments that make the housing more affordable by covering a portion of the ongoing costs of operating the development. Such payments would have the same effect as rental assistance.
- (w) "Owner-occupied" means a dwelling which is occupied by the owner and includes a single family dwelling or a dwelling unit in a stock cooperative, as defined by Business and Professions Code (BPC), Section 11003.2, a community apartment project, as defined by BPC Section 11004, or a condominium project, as defined by subdivision (c) of BPC Section 11004. 5.
- (x) "Plan" means the document submitted by the Applicant to the Department as part of a complete application in which the Applicant proposes to use allocated funds for at least one eligible Activity. The Plan shall have a term of five years. In succeeding years, the Local government is required to obtain the approval of the Department for any amendments made to the Plan, as set forth in Section 302(c)(5).
- (y) "Permanent Local Housing Allocation Program", "Program", or "PLHA" means the program developed to annually allocate 70 percent of the moneys deposited into the Fund pursuant to HSC Section 50470(b)(2)(B)(i).

- (z) “Permanent supportive housing” has the same meaning as in HSC Section 50675.14, that is, housing with no limit on the length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Permanent supportive housing may include associated facilities if used to provide services to housing residents. Permanent supportive housing does not include “health facility” as defined by HSC Section 1250 or any “alcoholism or drug abuse recovery or treatment facility” as defined by HSC Section 11834.02 or “Community care facility” as defined in HSC Section 1502, “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code (WIC), or other residential treatment programs.
- (aa) “Regional Housing Needs Allocation” or “RHNA” means the share of the regional housing need represented by persons at all income levels within the area significantly affected by the general plan of the city or county allocated to an Applicant Local government pursuant to GC Section 65584(b).
- (bb) “Sponsor” means the legal entity or combination of legal entities with continuing control of a Rental Housing Development. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the rental housing Project, unless the seller will retain control of the Project for the period necessary to ensure Project feasibility as determined by the Department.
- (cc) “Very Low Income” has the meaning set forth in HSC Section 50105, which is a maximum of 50 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470.5 and 50470, subdivision (b)(2).

ARTICLE II. PROGRAM FUNDING

Section 200. Allocations

- (a) SB 2 created a dedicated revenue source for affordable housing and directed the Department to make available 70 percent of the moneys in the Building Homes and Jobs Trust Fund, collected on and after January 1, 2019, to Local governments through the following allocations:

(1) Ninety percent of the moneys available shall be allocated based on the formula used under Federal law to allocate CDBG funds within California. This is the formula specified in Title 42 United States Code (USC), Section 5306.

(A) The amount of funds awarded to each Local government eligible for the entitlement formula component shall be determined by the 90 percent of PLHA funds available pursuant to this paragraph (1) and the percentage of funds received by the entitlement Local government in the CDBG federal fiscal year 2017 allocation process performed by HUD.

(B) Through the formula specified in paragraph (1), the percentage of funds allocated to Non-entitlement local governments shall be distributed to Non-entitlement local governments through a competitive grant program.

(2) Ten percent of the moneys available shall be allocated equitably among Non-entitlement local governments. The equitable allocation awarded to each Local government eligible for the Non-entitlement formula component shall be based on the sum of: (1) 50 percent of the funding available for the Non-entitlement formula component divided by the number of local governments eligible for the Non-entitlement formula component and (2) 50 percent of the funding allocated in proportion to each Non-entitlement local government's share of the total most severe housing need in California's Non-entitlement local governments, based upon the most recent HUD Comprehensive Housing Affordability Strategy.

(b) After funds are appropriated by the Legislature as part of the budget act, the Department will issue one or more Notices of Funding Availability (NOFA). Local governments shall submit an application under the NOFA pertaining to the specific allocation for which the Local government is eligible.

(c) It is recommended that Local governments that were urban counties in accordance with the distribution of funds pursuant to the formula specified in 42 USC, Section 5306 for the federal fiscal year 2017 provide a proportional share of their allocations to Local governments within their county with which they had a three-year Urban County Cooperation Agreement as of September 1, 2017, provided that these Local governments meet the threshold requirements of the PLHA and expend sub-allocated funds for eligible activities within the deadlines of the Standard Agreement governing the sub-allocation.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

Section 201. Award Amounts

(a) The formula allocation amounts derived pursuant to the formulas in Section 200 will be announced in the NOFA.

- (b) The maximum application amount and the minimum application amount for the competitive allocation will be stated in the NOFA.
- (c) An Applicant may apply for its formula allocation from the current and two prior NOFAs for which it did not receive an award, provided that the award meets the requirements of Section 304(a).

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

ARTICLE III. FORMULA ALLOCATION COMPONENT

Section 300. Eligible Applicants

- (a) Eligible Applicants for the entitlement formula component described in Section 100(b)(1) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section 5306.
- (b) Eligible Applicants for the non-entitlement formula component described in Section 100(b)(2) and the competitive grant program component described in Section 100(b)(3) are limited to the Non-entitlement local governments.
- (c) A Local government may delegate another Local government to submit an application and administer on its behalf its formula allocation of Program funds, provided that the Local governments enter into a legally binding agreement and the funds are expended for eligible Activities and consistent with Program requirements. The delegating Local government shall be identified in the application. The administering Local government shall be responsible for all Program requirements.
- (d) A Local government may delegate a Local or Regional Housing Trust Fund to submit an application and administer on its behalf its formula allocation of Program funds, provided that the Local government enters into a legally binding agreement with the Local or Regional Housing Trust Fund and the funds are expended for eligible Activities and consistent with Program requirements. The delegating Local government shall be identified in the application. The Local or Regional Housing Trust Fund shall be responsible for all Program requirements.
- (e) An Applicant shall not be eligible to receive a new allocation of PLHA funds if it has an uncommitted amount of formula PLHA funds greater than the following:
 - (1) Four times the pending annual allocation if the pending annual allocation is \$125,000 or less;
 - (2) \$500,000 if the pending annual allocation is greater than \$125,000 and less than \$500,000;

- (3) The amount of the pending annual allocation if the pending allocation is \$500,000 or more.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

Section 301. Eligible Activities

(a) Eligible Activities are limited to one or more of the following:

- (1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is Affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary Operating subsidies.
- (2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
- (3) Matching portions of funds placed into Local or Regional Housing Trust Funds.
- (4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- (5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- (6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - (A) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.
 - (B) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core

components of Housing First, as provided in WIC Section 8255, subdivision (b).

- (7) Accessibility modifications in Lower-income Owner-occupied housing.
 - (8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
 - (9) Homeownership opportunities, including, but not limited to, down payment assistance.
 - (10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing Project.
- (b) A Local government that receives an allocation shall use no more than 5 percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
 - (c) Two or more Local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided for in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
 - (d) Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivisions (b)(2)(B)(ii)(IV), (b)(2)(D)(i-x), and (b)(3).

Section 302. Threshold Requirements

Applicants must meet all the following threshold requirements for participation in the formula allocation:

- (a) **Housing Element compliance:** The Applicant and any delegating Local government, if applicable, must have a Housing Element that has been adopted by the Local

government's governing body by the application deadline and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.

- (b) **APR on the Housing Element submitted to the Department:** The Applicant and any delegating Local government, if applicable, must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
 - (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit, by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
 - (1) Application requests an allocation pursuant to Section 200 in order to carry out one or more of the eligible activities described in Section 301. Except for a jointly funded project as described in Section 301(c), any activities must be carried out within the jurisdiction of the Applicant Local government.
 - (2) Submission of the application is authorized by the governing boards of the Applicant.
 - (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the Local government's selection process shall avoid conflicts of interest and shall be accessible to the public. For the purposes of this paragraph, "entity" means a housing developer or program operator; "entity" does not mean an administering Local government to whom a Local government delegates its PLHA formula allocation, pursuant to Section 300(d).
 - (4) A Plan detailing:
 - (A) The manner in which allocated funds will be used for eligible Activities.
 - (B) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of AMI. Programs targeted at households at or below 60 percent of AMI will be deemed to meet this requirement.

- (C) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
- (D) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
- (E) The following for each proposed Activity:
 - (i) A description of each proposed Activity, pursuant to Section 301, and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to AOWH.
 - (ii) The projected number of households to be served at each income level and a comparison to the unmet share of the RHNA at each income level.
 - (iii) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
 - (iv) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least 55 years.
- (5) The Plan submitted in response to the NOFA shall be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than 10 percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- (6) A certification that, if funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
 - (A) The PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with Section 301; or
 - (B) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or
 - (C) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds

of the equity-sharing agreement consistent with this section.

- (7) A certification that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Local government-approved underwriting of the Project for a term of at least 55 years.
- (8) A Program income reuse plan describing how repaid loans will be reused for eligible activities specified in Section 301.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 303. Application Review

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements.
- (b) The Department may request additional information to complete its review.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.
- (d) The Department may issue an Over-the-Counter formula allocation NOFA after completing the NOFA process so that Local governments who were not able to submit formula allocation applications by the application deadline will have another opportunity to do so.
- (e) If funding proposed in Local government Plans for AOWH activities is lower than 20 percent of the moneys available in the Fund, the Department may require Local governments to use a specific percentage of their annual formula allocations in some future year for AOWH activities as part of the annual funding process.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A).

Section 304. Deadlines and Funding Requirements

- (a) The initial PLHA application, including the Plan, must be submitted within 48 months of the budget appropriation (for example, the budget appropriation for 2019 is July 1, 2019, so the application deadline is June 30, 2023).
- (b) Funds allocated to Local governments that do not submit a complete application by the deadline stated in subsection (a) will revert to the Housing Rehabilitation Loan Fund for the Multifamily Housing Program or for Department-administered technical assistance to Local governments.
- (c) A Local government may petition the Department to return any funds allocated to it to be used for the Multifamily Housing Program.
- (d) Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.
- (e) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instruction.
- (f) After the Standard Agreement has been executed by the state, the Local government may submit a request for 100 percent of the funds allocated to be used for eligible expenditures for the Activity(ies) that received the award, and subject to the terms and conditions of the Standard Agreement.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(VI).

ARTICLE IV. COMPETITIVE ALLOCATION COMPONENT

Section 400. Eligible Applicants

- (a) Eligible Applicants for the non-entitlement competitive allocation described in Section 100(b)(3) are limited to Non-entitlement local governments. For development of Rental Housing Projects, the Sponsor must be a co-Applicant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I).

Section 401. Eligible Activities

- (a) Eligible Activities are limited to the following and must take place within the jurisdiction of the Applicant Local government:
 - (1) Development of new multifamily rental housing that is Affordable to households at or below 60 percent of AMI or substantial rehabilitation of multifamily rental housing that will be Affordable to households at or below 60 percent of AMI, but which is not currently restricted as Affordable housing; or
 - (2) Assistance to persons who are experiencing or At risk of homelessness, including, but not limited to, through rapid rehousing, or rental assistance, supportive services and case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers, or new construction, rehabilitation, or preservation of permanent or transitional rental housing.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia), (b)(2)(B)(i)(I)(ib) and subdivision (b)(2)(B)(ii)(V).

Section 402. Threshold Requirements

Applicants must meet all the following threshold requirements for participation in the competitive allocation:

- (a) **Housing Element compliance:** The Applicant must have a Housing Element that has been adopted by the jurisdiction's governing body by the application deadline date and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.
- (b) **APR on the Housing Element submitted to the Department:** The Applicant must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
 - (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
 - (1) Application requests a grant pursuant to Section 100(b)(3) in order to carry out one

or both of the eligible Activities set forth in Section 401.

- (2) Submission of the application is authorized by the governing board of the Applicant and by the developer co-applicant, if any.
- (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the selection process shall avoid conflicts of interest, and shall be accessible to the public.
- (4) Demonstration of readiness, including site control for development Projects, land use entitlements, environmental review and commitments of other funding and resources required, as further set forth in the NOFA;
- (5) Underwriting requirements:
 - (A) Uniform Multifamily Regulations Subchapter 19 of Title 25, Division 1, Chapter 7 (commencing with Section 8300), as amended from time to time, and the Multifamily Housing Program Guidelines (commencing with Section 7300), as amended from time to time, are hereby incorporated by reference into this subchapter and shall apply to Rental Housing Developments receiving assistance under the PLHA competitive allocation. In the event of a conflict between the provisions of Subchapter 19 and these Guidelines, the provisions of these Guidelines shall prevail.
 - (i) Section 8312(c) of the Uniform Multifamily Regulations is hereby amended to read:
 - (c) For Projects utilizing 4 percent tax credits, Developer Fee payments shall not exceed the amount that may be included in Project costs pursuant to 4 CCR, Section 10327. In addition, the Developer Fee paid from development funding sources shall not exceed the following:
 - (1) For acquisition and/or rehabilitation Projects, or adaptive reuse Projects, the lesser of the amount of Developer Fee in Project costs or \$2,000,000.
 - (2) For new construction Projects, the base limit shall be the lesser of the amount that may be included in Project costs or \$2,200,000. To arrive at the final limit on Developer Fee paid from development funding sources, the base limit shall then be multiplied by a ratio that is the average of (i) the difference between 2 and the Project's high-cost ratio, as calculated pursuant to 4 CCR, Section 10317(i)(6) or successor language and (ii) 100 percent.
 - (ii) Section 8312(d) of the Uniform Multifamily Regulations shall not apply.
 - (iii) Section 8314(a)(1)(A) of the Uniform Multifamily Regulations is amended to read:
 - (A) Approved deferred Developer Fee, pursuant to Section 8312, provided that the aggregate of the Developer Fee paid from sources and paid as deferred shall not exceed \$3,500,000.

(B) Period of affordability: All assisted rental units shall be restricted for not less than 55 years.

(C) All development Projects shall demonstrate fiscal integrity.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 403. Selection Criteria

(a) Applications submitted within a competitive funding round shall be evaluated using the following criteria. Total available points shall equal 100.

1. Priority Points – 25 points

A. Population - 5 points

- (i) If the Applicant is a county that has a population of 200,000 or less within the unincorporated areas of the county, the Applicant shall receive all points.

B. Prior Award – 5 points

- (i) If the Applicant did not receive an award based on the formula specified in 42 USC, Section 5306 in 2016, the Applicant shall receive all points.

And either C (i) or C (ii) or C (iii) below:

C. Activity

- (i) Assistance for Homeless Persons through Program Activities – 15 points

- (a) Applications to assist persons experiencing or At risk of homelessness, including, but not limited to, through programs providing rapid rehousing, or rental assistance, or operating assistance to navigation centers shall receive all points.

Or

- (ii) Assistance to Homeless Persons through Development of Navigation Centers– 15 points

- (a) Applications for construction of navigation centers shall receive all points.

Or

(iii) Assistance for Homeless Persons through Rental Projects – 15 points

- (a) Applications for the new construction, rehabilitation, or preservation of permanent or transitional rental housing in which all or at least 10 percent of the units are restricted to occupancy by tenants who are homeless or At risk of homelessness shall receive all points.

2. Evaluation Criteria – 75 points

Precise scoring for these factors will be set forth in the NOFA.

A. Community Need – 30 points

- (i) Applicants will receive up to a maximum of 30 points based on the rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset in the Applicant Local government. Applicants will receive points in proportion to this percentage.

B. Applicant Administrative Experience – 15 points

- (i) Applicants with prior experience administering local, state or federal affordable housing or community development programs or who have entered into a contract with an entity with prior experience in the implementation of local, state or federal affordable housing or community development programs will receive up to 15 points.

C. Demonstrated Capacity – 30 points

- (i) Capacity points will be based on:

- (a) Sponsor experience in Affordable Rental Housing Development and ownership (Up to 30 points) or
- (b) Navigation center development experience (for development of these facilities) (Up to 30 points) or
- (c) Program Operator experience (for non-development Activities) (Up to 30 points)

- (b) Where applications requesting funds for more than one eligible Activity pursuant to Section 401 are permitted by the NOFA, each Activity will receive a separate score for each rating factor, and have an individual Activity total. It is possible that one Activity may score highly enough to receive an award, and the other Activity does not.

- (c) In the event of tied point scores and insufficient funding for both applications, the Department shall rank the tied applications as follows:

- (1) If one of the tied applications is for an Affordable Rental Housing Development and the other is for a program Activity or development of a navigation center, the

- Affordable Rental Housing Development application will be selected for funding;
- (2) If one of the tied applications is for a navigation center and the other is for a program Activity, the navigation center will be selected for funding;
 - (3) If both of the tied applications are for Affordable Rental Housing Developments, the Project with the lowest weighted average affordability of Restricted Units will be selected;
 - (4) If both of the tied applications are for navigation centers, the facility that provides overnight shelter to the greatest number of people will be selected;
 - (5) If both of the tied applications are for programs, the Local government with the highest rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset will be selected.
- (d) In the event there are insufficient funds to fulfill the entire funding request for the next highest scored application (Application A), the Department will determine whether Application A is feasible without the full funding request. If Application A is not feasible without full funding, the Department may offer the remaining funds to the application whose score is immediately below Application A. If the remaining funds are insufficient to fulfill the funding request for that application (Application B), the Department will again determine whether this application is feasible without the full funding request. If Application B is not feasible without the full funding request, the Department will perform the same analysis for the application whose score is immediately below Application B.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia) and subdivision (b)(2)(B)(ii)(V).

Section 404. Application Review

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements. The application will require submission of documentation adequate to demonstrate that the application has earned the appropriate number of points.
- (b) The Department may request additional information to complete its review, provided that the new information would not affect scoring.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 405. Deadlines and Funding Requirements

- (a) Applicants will be required to enter into a state Standard Agreement (Standard Agreement) that will set forth conditions for funding and milestones that are required to be met.
- (b) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions or risk forfeiting the grant award.
- (c) Except for predevelopment expenses for construction projects funded by PLHA and the costs to develop and prepare the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the PLHA application is subject to the cap on administrative fees.
- (d) Grant funds shall not be disbursed until:
 - (1) the Department authorizes loan closing, in the case of development projects; or
 - (2) all general and special conditions have been complied with, in the case of other Activities.
- (e) If funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Department-approved underwriting of the project for at least 55 years.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(VI).

ARTICLE V. ADMINISTRATION

Section 500. Accounting Records

- (a) The grantee shall establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the approved work plan, budget, and schedule. Separate bank accounts are not required.
- (b) The grantee shall maintain documentation of its financial records for expenditures incurred during the course of the PLHA Activity in accordance with generally accepted accounting principles. Such records shall be kept for at least five years after the close-out report is submitted to the Department.

- (c) The Department or its designated representative shall have the right to review and copy any records and supporting documentation pertaining to the PLHA grant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(IV) and subdivision (b)(3).

Section 501. Audits/Monitoring of Project Files

- (a) Grantee shall maintain PLHA files which, at a minimum, should include the following information and reports:
 - 1) Project/Activity description
 - 2) Land/site Information
 - 3) Planning & zoning history (as appropriate)
 - 4) Records of public hearings and public comments
 - 5) Relocation needs (as appropriate)
 - 6) Contracts, loan and grant agreements, Standard Agreement
 - 7) Environmental records & reports/findings (as appropriate)
 - 8) Design/engineering reports & plans (as appropriate)
 - 9) Description of targeted beneficiaries, services to be provided, household incomes, special needs
 - 10) PLHA Activity costs, invoices, purchase orders, sources and uses of funds for PLHA Activities, terms & conditions of financings, draws and all supporting documentation, change orders (as appropriate)
 - 11) Activity schedule and amendments
 - 12) History of Plan amendments
 - 13) Procurement policy used for PLHA Activity(ies)
- (b) The grantee shall maintain such records for possible audit for a minimum of three years after the close-out report is submitted, unless a longer period of records retention is stipulated in the Standard Agreement.
- (c) The grantee shall be responsible for monitoring Rental Housing Developments that received PLHA funds for the term of the loan, including, but not limited to, the Projects' compliance with the occupancy and rent requirements set forth in the Regulatory Agreement, compliance with reserve requirements, and the compliance with habitability standards.
- (d) The grantee shall be responsible for monitoring AOWH loans to assure that the homes remain Owner-occupied.
- (e) If requested by the Department, the grantee shall obtain a report from a qualified,

licensed third party that certifies to the amounts of disbursement and identifies the specific Activities for which the disbursements were made. Such a report is permitted to be a component of the A-133 audit.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

Section 502. Cancellation and Termination

- (a) In the event that it is determined, at the sole discretion of the Department, that the grantee is not meeting the terms and conditions of the Standard Agreement, the Department shall issue a notice to stop work. Immediately upon receiving the written notice to stop work, the grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine the grantee's compliance with the terms and conditions after issuance of a stop work order, and to deliver a written notice to the grantee to resume work under this Standard Agreement.
- (b) The Department shall terminate the Standard Agreement if the grantee is not in compliance with the Guidelines or the terms and conditions of the Standard Agreement. At least 30 days prior to the effective date of the termination of the Standard Agreement, the Department shall provide written notice to the grantee of its intent to cancel the funding allocation. The notice shall specify the reason for early termination and may permit the grantee or the Department to cure any deficiency(ies) prior to the early termination date. The grantee will submit requested documents to the Department within 30 days of the early termination notice.
- (c) Failure to meet reporting requirements will result in notice to the grantee that it must satisfactorily cure any deficiencies within three months of the notice or it will forfeit the following year's PLHA formula allocation and be ineligible for a competitive award. The Local government will forfeit subsequent PLHA formula allocations and be ineligible for a competitive award until the Department determines that the Local government has met reporting requirements.
- (d) The Department may, as it deems appropriate or necessary, request the repayment of funds from a Local government or offset future years' funds, or pursue any other remedies available to it by law for failure to comply with the Guidelines and/or the terms and conditions of the Standard Agreement.
- (e) Co-Applicants may be adversely impacted by a notice to stop work and/or termination if one grantee is deemed by the Department to not meet the terms and conditions of the Standard Agreement, or fails to meet the reporting requirements outlined in Section 503.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

Section 503. Reporting

- (a) The Department shall provide grantees with reporting formats and instructions.
- (b) Annual Reports are required from all grantees pursuant to HSC Section 50470(b)(2)(B)(ii)(III) each year by July 31 for the term of the Standard Agreement. The Annual Report shall document the uses and expenditures of all awarded allocations and outcomes achieved. This report must be signed by both the Local government's PLHA administrator and the Local government's City Manager (or his/her designee), or Chief Executive Officer (or his/her designee) or Chief Financial Officer (or his/her designee). The Annual Report must describe any proposed amendment(s) to the approved Activity and schedule.
- (c) Upon expenditure of all allocated funds and completion of the Activities funded by PLHA, the grantee shall submit a close-out report, which will be part of the Annual Report.
- (d) The Department may request additional information as needed to meet other applicable reporting or audit requirements.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(ii)(IV).

Exhibit B-1: PIP Standard Agreement No. 23-PIP-18478

[see attached]

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

SCO ID:

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER
23-PIP-18478

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTOR'S NAME

City of Crescent City

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

06/30/2027

3. The maximum amount of this Agreement is:

\$650,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	3
Exhibit B	Budget Detail and Payment Provisions	5
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	PIP Terms and Conditions	12
Exhibit E	Program-Specific Provisions and Special Conditions	4
TOTAL NUMBER OF PAGES ATTACHED		24

Items shown with an asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>*

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

City of Crescent City

CONTRACTOR BUSINESS ADDRESS

377 J Street

CITY

Crescent City

STATE

CA

ZIP

95531

PRINTED NAME OF PERSON SIGNING

Eric Wier

TITLE

City Manager

CONTRACTOR AUTHORIZED SIGNATURE

[Signature]

DATE SIGNED

12/5/24

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

651 Bannon Street Suite 400

CITY

Sacramento

STATE

CA

ZIP

95811

PRINTED NAME OF PERSON SIGNING

Diana Malimon

TITLE

Contract Services Section Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Diana Malimon

DATE SIGNED

12/09/2024

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. **Authority**

Pursuant to Health and Safety Code section 50470, subdivision (b)(2)(C)(i), the State of California Department of Housing and Community Development (the “Department” or “State”) has established the Prohousing Incentive Program (“PIP” or the “Program” as defined in Attachment C of the Guidelines) for Local Governments and Localities. This Standard Agreement, along with all its exhibits (the “Agreement”), is entered into under the authority of, and in furtherance of, the purpose of the Program. Pursuant to Health and Safety Code Section 50470, subdivision (d) (“PIP Statute”), the Department has issued the Prohousing Incentive Program Guidelines and Notice of Funding Availability (“NOFA”) dated January 23, 2024, to govern administration of the fund and carry out the Program.

2. **Purpose**

In accordance with the authority cited above, the Grantee has been awarded financial assistance in the form of a grant from the Program. The Department has agreed to make the grant to provide financial assistance to accelerate housing production for housing related projects and programs that assist in addressing the unmet housing needs of their local communities pursuant to the terms of the PIP Statute, Guidelines and NOFA, and Permanent Local Housing Allocation (PLHA) Statute and Guidelines, and this Agreement. By entering into this Agreement and thereby accepting the award of the Program funds, the Grantee agrees to comply with the terms and conditions of the PIP Statute, Guidelines and NOFA, and PLHA Statute and Guidelines, and this Agreement, the representations contained in the application, and the requirements of the authority cited above. Based on the representations made by the Grantee, the State shall provide a grant in the amount shown in Exhibit B, Section 2, Grant and Reimbursement Limit.

3. **Definitions**

Terms not otherwise defined herein shall have the same meaning as definitions set forth in Health and Safety Code Section 50470 and Attachment C of the PIP Guidelines and Definition Section (Section 101) of the PLHA Guidelines.

4. **Scope of Work**

EXHIBIT A

The “Scope of Work” or “Work” for this Agreement shall be used to accelerate housing production for housing related projects and programs that assist in addressing the unmet housing needs of their local communities. Uses shall consist of one or more of the eligible uses described in Guidelines set forth in the PIP Application, Exhibit E of this Agreement and any other supplemental forms prescribed by the Department in full accordance with this Agreement, PIP Guidelines and PLHA Guidelines Section 301. Where eligible uses in PIP Guidelines Section 601 differ from PLHA Guidelines Section 301, the Department will defer to PLHA Guidelines except for eligible uses 7 (accessibility modifications) and 10 (fiscal incentives).

A Local government that receives an allocation shall use no more than five percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in the PIP and PLHA Statute and Guidelines are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.

The Scope of Work may in no event be revised or altered without the Department’s prior written consent and approval, and such consent and approval is within the Department’s sole and absolute discretion. The Department reserves the right, but assumes no obligation, to review and approve any and all Work.

5. Department Contract Coordinator

The Department’s Contract Coordinator of this Agreement is the Housing Policy Development Senior Program Manager, or the Manager’s designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be sent by email to the Department Contract Coordinator at ProhousingIncentive@hcd.ca.gov.

6. Grantee Contract Coordinator

The Grantee’s Contract Coordinator for this Agreement is the Authorized Representative listed below.

Authorized Representative Name:	Eric Wier
Authorized Representative Title:	City Manager
Agency Name:	City of Crescent City

EXHIBIT A

Address:	377 J Street Crescent City, CA 95531
Phone Number:	(707) 464-7483
Email Address:	ewier@crescentcity.org

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Application for Funds

- A. Grantee has submitted to the Department an Application for a Grant under the Program. The Department is entering into this Agreement on the basis of, and in reliance on fact, information, assertions and representations contained in the Application and any subsequent modifications or additions thereto approved by the Department. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.
- B. The Grantee warrants that all information, facts, assertions, and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of the Grantee's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading, in such a manner that would substantially affect the Department's approval, disbursement, reimbursement, or monitoring of the funding and the grant or activities governed by this Agreement, the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

2. Grant and Reimbursement Limit

The Department's decision to approve or deny an application or request for funding pursuant to the Program, and its determination of the amount of funding provided, shall be final. The maximum total amount granted and disbursable to the Grantee pursuant to this Agreement shall not exceed \$650,000.

3. Grant Timelines

- A. This Agreement is effective upon approval by all parties and the Department, which is evidenced by the date signed by the Department on page one, Standard Agreement, STD 213 (the "Effective Date").
- B. The grant term begins on the day the Department and the grantee have fully executed the Standard Agreement as described in Exhibit D(1).
- C. All reimbursement requests for Grant funds must be submitted to the Department no later than March 30, 2026.
- D. Upon completion of all deliverables within the Standard Agreement and prior to processing final invoicing, the awardee shall submit a Close Out Report.

EXHIBIT B

- E. The Grantee shall deliver to the Department all supporting documents of Work performed on or before March 30, 2026, to ensure meeting the June 30, 2026, expenditure deadline. Under special circumstances, as determined by the Department, the Department may modify the March 30, 2026, reimbursement deadline but may not go beyond the expenditure deadline.
- F. It is the responsibility of the Grantee to monitor the project and timeliness of requests for reimbursement before the expenditure deadline.
- G. The grant term ends on June 30, 2027.

4. Conditions of Reimbursement

- A. The Department shall not award or disburse funds unless it determines that the grant funds shall be expended in compliance with the terms and provisions of the Guidelines, the NOFA, and this Agreement.
- B. Grant funds shall only be used by the Grantee for project activities approved by the State that involve the preparation and adoption of project activities as stated in the Scope of Work.
- C. A Grantee that receives funds under this Program may use a subcontractor. The subcontractor shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the Grantee of its responsibilities under the Program.
- D. After the contract has been executed by the Department and all parties, approved and eligible costs for eligible activities may be reimbursed for the project(s) upon completion of deliverables as set forth in the PIP Application, Exhibit E of this Agreement, and any other supplemental forms prescribed by the Department and subject to the terms and conditions of this Agreement. Applicants may request disbursements in advance of activity initiation under unique and/or unusual circumstances including but not limited to feasibility, lack of resources, or unavailability of funds.
- E. Only approved and eligible costs incurred for work after the NOFA date, continued past the date of execution and acceptance of the Standard Agreement and completed during the grant term until the expenditure deadline will be reimbursable.
- F. Approved and eligible costs incurred prior to the NOFA date are ineligible, unless otherwise approved by the Department.

EXHIBIT B

- G. The Contractor may request that eligible uses or grant funds may be revised without an amendment to this Agreement. This request must be made in writing to HCD and shall be effective only upon written HCD approval. HCD's decision to approve or deny any such request shall be final.

5. Performance

The Grantee shall take such actions, pay such expenses, and do all things necessary to complete the scope of work and within the terms and conditions

6. Fiscal Administration

- A. The Grantee is responsible for maintaining records which fully disclose the activities funded by the PIP grant. Adequate documentation for each reimbursable transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to Prohousing Incentive Program grant funds. If the allowability of expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and the State shall determine the reimbursement method for the amount disallowed. The State's determination of the allowability of any expense shall be final.
- B. Prior to receiving grants, the Grantee shall submit the following documentation:
- 1) Government Agency Taxpayer ID Form (GovTIN; Fi\$cal form).
 - 2) A Request for Funds on a form and manner provided by the Department; and
 - 3) Any and all additional documentation that may be requested by the Department in the prescribed form and manner.
- C. Grant fund payment will be made on a reimbursement basis. Project invoices will be submitted to the Department by the grantee on a quarterly basis or, if earlier, upon completion of deliverables.
- D. The Department recognizes that budgeted deliverable amounts are based upon estimates. Grantees may request, in writing, a budget adjustment across deliverables subject to written approval by the Department, as long as the total budget does not exceed the maximum amount awarded to the Grantee.
- E. Work must be completed prior to requesting reimbursement, unless otherwise approved by the Department.

EXHIBIT B

- F. Grant funds cannot be reimbursed until this Standard Agreement has been fully executed.
- G. The Grantee will be responsible for compiling all invoices and supporting documentation and reporting documents. Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid. Failure to provide requested documentation to HCD could result in exclusion from consideration for grants in future program years.
- H. Supporting documentation may include but is not limited to purchase orders, receipts, progress payments, subcontractor invoices, timecards, or any other documentation as deemed necessary by the Department to support the reimbursement to the Grantee for expenses in accordance with the Grantee's PIP Application and the PIP Guidelines.
- I. The Grantee will submit documentation to the Department detailing actual costs incurred, which must be based on clear and completed objectives and deliverables as outlined in the PIP Application, Exhibit E of this Agreement, and any other supplemental forms prescribed by the Department
- J. In unique and/or unusual circumstances, the Department may consider alternative arrangements (e.g., disbursements in advance of activity initiation) to reimbursement and payment methods. Unusual circumstances include but are not limited to feasibility, unavailable funds or lack of resources and substantial progress in expenditure.
- K. The Department may withhold Grant funds until the grant terms have been fulfilled.
- L. The Department may withhold eligible Program Grants in future program years until terms of this Agreement have been fulfilled to the satisfaction of the Department.

7. Budget Contingency Clause

- A. The Department's provision of funding to Grantee pursuant to this Agreement is contingent on the continued availability of PIP funds and continued state authorization for PIP activities. The Department's provision of funding is subject to amendment or termination due to lack of funds or proper authorization. This Agreement is subject to written modification or termination, as necessary, by the Department in accordance with requirements contained in any future state legislation and/or regulations. If funding for any fiscal year is reduced or deleted

EXHIBIT B

for purposes of this program, the Department shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the Department, or amend the current Agreement and amount allocated to Grantee.

EXHIBIT D

PIP TERMS AND CONDITIONS

1. **Effective Date, Commencement of Work**

This Agreement is effective upon the date of the Department representative's signature on page one of the full executed Standard Agreement, STD 213. Grantee agrees that work under this Agreement shall not commence until execution of the STD 213, (the "Effective Date").

2. **Strict Compliance**

Grantee will strictly comply with the terms, conditions and requirements of the PIP Statute, Guidelines and NOFA, and PLHA Statute and Guidelines, and this Agreement.

3. **Contractor's Application for Funds**

- A. Grantee has submitted to the Department an Application for a Grant under the Program.
- B. Grantee warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of Grantee's knowledge.

4. **Eligible Activities**

- A. Grant funds awarded to the Grantee and expended by either the Grantee or any entity to which Grantee awards funds shall be used for the eligible activities set forth in Exhibit A(4). The following additional requirements shall apply:
- B. Each Grantee shall submit a Plan contained in Exhibit E detailing:
 - 1) The manner in which allocated funds will be used for eligible activities.
 - 2) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
 - 3) The following for each proposed Activity:
 - a) A description of each proposed Activity and the percentage of funding allocated to it.
 - b) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.

EXHIBIT D

- c) Where applicable, the period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least fifty-five years.
- C. If funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
 - 1) PIP loan and any interest thereon shall be reused consistent with the Eligible Activities specified in Exhibit A(4); or,
 - 2) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or,
 - 3) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds of the equity-sharing agreement consistent with the Eligible Activities specified in Exhibit A(4).
- D. If funds are used for the development of an affordable rental housing project, and the Local government makes the PIP assistance in the form of a loan to the Sponsor of the project, the loan shall be evidenced through a Promissory Note secured by a Deed of Trust.
- E. If funds are used as a loan, Grantees are required to implement a program income reuse plan describing how repaid loans and any interest thereon shall be reused for Eligible Activities specified in Exhibit A(4).

5. Scope of Work Revisions and Terms/Amendments

- A. Adjustments to the terms within this Agreement must be completed as a contract amendment. Contract amendments must be approved by the Department prior to implementation. If approved, contract amendments shall automatically be deemed a part of, and incorporated into, this Agreement. Approval shall be provided in writing, as appropriate. Contract amendments shall include but not be limited to:
 - 1) Changes in the total grant amount;

EXHIBIT D

- 2) Changes in Payee(s);
- 3) Changes in the expiration date of this Agreement;
- 4) Changes to the grant term date;
- 5) Changes to the Reimbursement Deadline.

B. Revisions to the Scope of Work that may not require a contract amendment will be subject to the review and approval of the Housing Policy Development Senior Program Manager, or Manager's Designee. Such revisions must be approved by the Department prior to implementation. Approval shall be provided in writing, as appropriate. Adjustments to the Scope of Work (Exhibit E) shall include but not be limited to:

- 1) An increase or reduction of activity scope;
- 2) Changes to or reallocations among activities that do not change the total award amount;
- 3) Changes in affordability and level of affordability for each activity;
- 4) Changes to activity start and/or completion dates.

6. Core Practices

A Grantee or Subrecipient must provide eligible activities in a manner consistent with the housing first practices described in California Code of Regulations, title 25, section 8409(b)(1)-(6). A Grantee or Subrecipient allocated funds for eligible activities that provide permanent housing shall incorporate the core components of Housing First as provided in Section 8255(b) of the Welfare and Institutions Code.

7. Monitoring Grant Activities

- A. Grantee shall monitor the activities selected and awarded by them to ensure compliance with PIP requirements. An onsite monitoring visit of Subrecipients and any other service providers may occur whenever determined necessary by the Grantee, but at least once during the Grant period.
- B. The Department will monitor the performance of the Grantee based on a risk assessment and according to the terms of this Agreement. The Department may

EXHIBIT D

also monitor any Subrecipients of the Grantee as the Department deems appropriate based on a risk assessment.

- C. As requested by the Department, the Grantee shall submit to the Department all PIP monitoring documentation necessary to ensure that Grantee and its Subrecipients are in continued compliance with PIP requirements. Such documentation requirements and the submission deadline shall be provided by the Department at the time such information is requested from the Grantee.

8. Reporting/Audits

- A. During the term of the Standard Agreement, the Department may request a performance report that demonstrates satisfaction of all requirements identified in the Standard Agreement and other Program requirements with emphasis on eligible activities, eligible uses, ineligible uses, and expenditures, according to timelines and budgets referenced herein.
- B. Grantees shall submit a report, in the form and manner prescribed by the Department, by April 1 of the year following the receipt of funds, and annually thereafter until funds are expended. The annual report shall contain a detailed report which must include, at a minimum:
- 1) Identification of the Eligible Activities to which the Grantee committed program funds, and the income levels of households assisted;
 - 2) Amounts awarded to Subrecipients with the activity(ies) identified;
 - 3) Identification of the Eligible Activities upon which the Contractor expended program funds, and the income levels of households assisted and the affordability level for any units assisted; and
 - 4) Close out report for contracts that were fully expended and in which all activities funded were completed during the fiscal year.
- C. The Department may request additional information, as needed.
- D. At any time during the term of the Standard Agreement, the Department reserves the right to perform or cause to be performed a financial audit. At the Department's request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during and over the project life.

EXHIBIT D

- E. If a financial audit is required by the Department, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in 24 CFR 85.36.
- 1) The Contractor shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the Department to the independent auditor's working papers.
 - 2) The Contractor is responsible for the completion of audits and all costs of preparing audits.
 - 3) If there are audit findings, the Contractor must submit a detailed response acceptable to the Department for each audit finding within ninety (90) days from the date of the audit finding report.

9. Retention and Inspection Records

- A. The Contractor is responsible for maintaining records, which fully disclose the activities funded by the Grant. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to Grant funds.
- B. The Grantee, its staff, contractors and subcontractors shall establish and maintain an accounting system and reports that properly accumulate incurred project costs by line. The accounting system shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for payment vouchers and invoices.
- C. The Eligible Applicant shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred during the project in accordance with GAAP.
- D. The Eligible Applicant must establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the scope of work, project timeline and budget. Separate bank accounts are not required.
- E. The Contractor agrees that the Department or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to

EXHIBIT D

- performance of this Agreement. The Contractor agrees to provide the Department or its designee, with any relevant information requested.
- 1) The Contractor agrees to permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the PLHA Statutes, the NOFA, and this Agreement.
- F. The Contractor further agrees to retain all records for a period of five years after the end of the term of this Agreement:
- 1) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues, which arise from it.
 - 2) The Contractor also agrees to include in any contract that it enters in an amount exceeding \$10,000, the Department's right to audit the contractor's records and interview their employees. The Contractor shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Code Section 10115.10.
- G. The determination by the Department of the eligibility of any expenditure shall be final. If the eligibility of any expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and the Department shall determine the reimbursement method for the amount disallowed.
- H. The Contractor shall retain all books and records relevant to this Agreement for a minimum of five years after the end of the term of this Agreement. Records relating to any and all audits or litigation relevant to this Agreement shall be retained for five years after the conclusion or resolution of the matter.
- I. Subcontractors employed by the Grantee and paid with moneys under the terms of this Standard Agreement shall be responsible for maintaining accounting records as specified above. The Grantee shall monitor and enforce subcontracts accordingly.

EXHIBIT D

10. Breach and Remedies of Non-Performance

- A. The Department may monitor expenditures and activities of an applicant, as the Department deems necessary, to ensure compliance with Program requirements.
- B. Any dispute concerning a question of fact arising under this Standard Agreement that is not disposed of by agreement shall be decided by the Department's Housing Policy Development Manager, or the Manager's designee, who may consider any written or verbal evidence submitted by the Grantee. The decision of the Department's Housing Policy Development Manager or Designee shall be the Department's final decision regarding the dispute.
- C. Neither the pendency of a dispute nor its consideration by the Department will excuse the Grantee from full and timely performance in accordance with the terms of this Standard Agreement.
- D. In the event that it is determined, at the sole discretion of the Department, that the Grantee is not meeting the terms and conditions of the Standard Agreement, immediately upon receiving a written notice from the Department to stop work, the Grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine that the Grantee meets the terms and conditions after a stop work order, and to deliver a written notice to the Grantee to resume work under the Standard Agreement.
- E. Both the Grantee and the Department have the right to terminate the Standard Agreement at any time upon 30 days written notice. The notice shall specify the reason for early termination and may permit the Grantee or the Department to rectify any deficiency(ies) prior to the termination date. The Grantee will submit any requested documents to the Department within 30 days of the early termination notice.
- F. At any time, if the Department finds the applicant falsely proposed information in the application or as part of the application review, including documentation related to incentive payments (e.g., affordability, enhancements), the Department may require the repayment of funds or decline reimbursement.
- G. The Department may, as it deems appropriate or necessary, require the repayment of funds from a grantee, or pursue any other remedies available to it by law for failure to comply with Program requirements (Health and Safety Code section 50515.04(e)).
- H. The following shall constitute a breach of this Agreement:

EXHIBIT D

- 1) Grantee's failure to comply with any of the terms and conditions of this Agreement.
 - 2) Use of, or permitting the use of, grant funds provided under this Agreement for any ineligible costs or for any activity not approved under this Agreement.
 - 3) Any failure to comply with the deadlines set forth in this Agreement unless approved by the Program Manager.
- I. In addition to any other remedies that may be available to the Department in law or equity for breach of this Agreement, the Department may at its discretion, exercise the following remedies:
- 1) Disqualify the Grantee from applying for future Program Funds or other Department administered grant programs;
 - 2) Revoke existing PIP award(s) to the Grantee;
 - 3) Decline reimbursement of funds;
 - 4) Require the return of unexpended Program funds disbursed under this Agreement;
 - 5) Require repayment of Program funds disbursed and expended under this Agreement;
 - 6) Require the immediate return to the Department of all funds derived from the use of Program funds including, but not limited to recaptured funds and returned funds;
 - 7) Seek, in a court of competent jurisdiction, an order for specific performance of the obligation defaulted upon, or the appointment of a receiver to complete the obligations in accordance with the PIP requirements; and
 - 8) Other remedies available at law, or by and through this Agreement.
- J. All remedies available to the Department are cumulative and not exclusive.
- K. The Department may give written notice to the Grantee to cure the breach or violation within a period of not less than fifteen (15) days.

EXHIBIT D

11. Termination

- A. The Department may terminate this Agreement at any time for cause by giving a minimum of thirty days' notice of termination, in writing, to the Grantee. Cause shall consist of, violations of any terms and/or special conditions of this Agreement, the PIP Statutes, Guidelines or NOFA. Upon termination of this Agreement, unless otherwise approved in writing by the Department, any unexpended funds received by the Grantee shall be returned to the Department within thirty days of the notice of termination.
- B. This Agreement is subject to any additional restrictions, limitations or conditions, or statute, regulations or any other laws, whether federal or those of the State of California, or of any agency, department, or any political subdivision of the federal or the State of California governments, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. The Department has the option to terminate this Agreement under the thirty-day cancellation clause or to amend this Agreement to reflect any reduction of funds.

12. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Grantee of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

13. Relocation

Grantee shall comply with all requirements of applicable California relocation law (Gov. Code, § 7260 et seq. and the regulations promulgated thereunder at Cal. Code Regulations, Title. 25, § 6000 et seq.). Any relocation plan for the Development shall be subject to the review and approval by the State.

14. Relationship of Parties

It is expressly understood that this Standard Agreement is an agreement executed by and between two independent governmental entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of an independent party.

EXHIBIT D

15. Third-Party Contracts

- A. All state-government funded procurements must be conducted using a fair and competitive procurement process. The Grantee may use its own procurement procedures as long as the procedures comply with all City/County laws, rules and ordinances governing procurement, and all applicable provisions of California state law.
- B. Any contract entered into as a result of this Agreement shall contain all the provisions stipulated in the Agreement to be applicable to the Grantee's sub-recipients, contractors, and subcontractors. Copies of all agreements with sub-recipients, contracts, and subcontractors must be submitted to the Department's program manager upon request.
- C. The Department does not have a contractual relationship with the Grantee's sub-recipients, contractors, or subcontractors, and the Grantee shall be fully responsible for all work performed by its sub-recipients, contractors, or subcontractors.
- D. In the event the Grantee is partnering with another jurisdiction or forming a collaborative effort between the Grantee and other jurisdictions who are grantees of the PIP, the Grantee acknowledges that each partner and/or all entities forming the SB 2 PIP collaborative are in mutual written agreement with each other but are contractually bound to the Department under separate, enforceable contracts.
- E. In the event the Grantee is partnering with another jurisdiction or forming a collaborative effort with other entities that are not grantees of the Prohousing Incentive Program, the Department shall defer to the provisions as noted in subsections 8(B) and 8(C) of this Section.
- F. The Grantee agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit E. These conditions shall be met to the satisfaction of the Department prior to disbursement of funds. The Grantee shall ensure that all Subrecipients are made aware of and agree to comply with all conditions of this Agreement and the applicable State requirements governing the use of Grant funds. The Grantee shall ensure that all Subrecipients are qualified to do business and in good standing with the California Secretary of State and the California Franchise Tax Board. Failure to comply with these conditions may result in cancellation of this Agreement.

EXHIBIT D

16. Compliance with State and Federal Laws, Rules, Guidelines and Regulations

- A. The Grantee agrees to comply with all state and federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the grant, the Grantee, its contractors or subcontractors, and any other grant activity.
- B. During the performance of this Agreement, the Grantee assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, ancestry, national origin, sex, gender, gender identity, gender expression, genetic information, age, disability, handicap, familial status, religion, or belief, under any program or activity funded by this contract, as required by Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 USC 3601-20) and all implementing regulations, and the Age Discrimination Act of 1975 and all implementing regulations.
- C. The Grantee shall include the nondiscrimination and compliance provisions of this clause in all agreements with its sub-recipients, contractors, and subcontractors, and shall include a requirement in all agreements with all of same that each of them in turn include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts they enter into to perform work under the Prohousing Incentive Program.
- D. The Grantee shall, in the course of performing project work, fully comply with the applicable provisions of the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)
- E. The Grantee shall adopt and implement affirmative processes and procedures that provide information, outreach and promotion of opportunities in the Prohousing Incentive Program project to encourage participation of all persons regardless of race, color, national origin, sex, religion, familial status, or disability. This includes, but is not limited to, a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, as required by 24 CFR 92.351.

17. Litigation

EXHIBIT D

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Grantee shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department, and the Grantee shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

18. Special Conditions

The State reserves the right to add any special conditions to this Agreement it deems necessary to assure that the policy and goals of the Program are achieved.

EXHIBIT E

PROGRAM-SPECIFIC PROVISIONS AND SPECIAL CONDITIONS

1. Program-specific Provisions

The following are project-specific terms and conditions and shall inform the references made to project-specific information not contained in the Standard Agreement.

2. Budget Detail:

Grantee has been awarded the following grant activity amounts: \$650,000

Estimated allocation may not exceed: \$650,000

Payees: City of Crescent City

The authorized Payee(s) is/are specified below:

Name: City of Crescent City Amount: \$650,000

3. Consistency with Housing Element Programs:

Provide a description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.

The City's plan to use Prohousing Incentive Program funds to increase the amount of affordable housing and assist potential applicants with the new construction of affordable housing is found in more than 10 of the 21 key programs in the City's 6th Cycle Certified Housing Element. In particular, Implementation Program P-4 requires the City to promote the rehabilitation of existing housing stock, and Implementation Programs P-1, P-3, P-7, P-10 and P-17 list steps the City will be taking to encourage the use of private-initiated and/or publicly-funded programs to provide housing for low- and moderate-income families, and to facilitate the housing production and affordability goals set forth in the RHNA requirements of the 6th Cycle Housing Element Cycle (2022-2030). The City will offer PIP funds to assist developers in building units that will meet the local RHNA goals. The City of Crescent City operates numerous programs aimed at maintaining and expanding affordable housing opportunities in the community. The City's Housing Authority was established in 1965 with a goal to provide decent, safe, and sanitary housing in Crescent City and surrounding areas of the County.

EXHIBIT E

Project Timeline, Budget, and Statement of Work (Plan):

PROJECT TIMELINE AND BUDGET AND STATEMENT OF WORK						
Objective	Responsible Party	Est. Cost	Begin	End	Deliverable	Notes
OBJECTIVE: The predevelopment, development, acquisition, rehab and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary operating subsidies.	City of Crescent City	\$650,000	11/18/24	02/28/26	The predevelopment of at least four affordable housing units.	
SUBTASK: Execute grant agreement with State and ensure that all obligations are being met throughout the duration of the project. Meet with staff and attend any necessary webinars to learn the required reporting process.	City	\$21,500	7/8/24	6/30/26	Fully executed standard agreement and all required reporting materials.	
SUBTASK: Release RFP	City	\$1,000	10/2/24	10/31/24	Proof of publication	
SUBTASK: Evaluate proposals, interview developers if necessary	City	\$3,000	11/4/24	11/6/24	Proposals, scoring sheets	

Prohousing Incentive Program (PIP)
NOFA Date: 1/23/2024
Approved Date: 06/11/2024
Preparation Date: 10/15/2024

EXHIBIT E

<i>SUBTASK: Draft contract and award developer</i>	City	\$2,000	11/7/24	11/18/24	Fully executed contract	
<i>SUBTASK: predevelopment activities.</i>	Developer	\$620,000	11/18/24	2/28/26	<i>The predevelopment of least four affordable housing unit.</i>	
SUBTASK: Complete Funds Request #2	City	\$500	4/15/25	4/30/25	Funds Request	
SUBTASK: Complete Funds Request #3	City	\$500	9/15/25	9/30/25	Funds Request	
SUBTASK: Complete Funds Request #4	City	\$500	10/15/25	10/31/25	Funds Request	
SUBTASK: Complete Funds Request #5	City	\$500	1/15/26	1/30/26	Funds Request	
SUBTASK: Complete Funds Request #6	City	\$500	3/15/26	3/31/26	Funds Request	
	Total Estimated Cost:	650,000				

Prohousing Incentive Program (PIP)

NOFA Date: 1/23/2024

Approved Date: 06/11/2024

Preparation Date: 10/15/2024

EXHIBIT E

4. Special Terms and Conditions

The following Special Conditions are applicable to this Standard Agreement:
None.

Exhibit B-2: Prohousing Incentive Program Guidelines

[see attached]

Prohousing Incentive Program Guidelines



**State of California
Governor Gavin Newsom**

**Tomiquia Moss, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
California Department of Housing and Community
Development**

**Megan Kirkeby, Deputy Director
Division of Housing Policy Development**

651 Bannon Street, Suite 400
Sacramento, CA 95811

Website: <https://www.hcd.ca.gov/grants-and-funding/programs-active/prohousing-incentive-program>

Email: ProhousingIncentive@hcd.ca.gov

August 2024

Contents

Section 100: Introduction	0
Section 101: Scope and Authority	0
Section 200: Eligibility	1
Section 201: Eligible Applicants	1
Section 202: Threshold Requirements	1
Section 300: Application Requirements	2
Section 301: Application Content	2
Section 302: Application Submittal	3
Section 400: Application Review	3
Section 401: Application Process	3
Section 402: Base Award and Bonus Award Calculation	4
Section 403: Scoring – Tie Breaker	4
Section 404: Geographic Categories	4
Section 500: Eligible Award Calculation	5
Section 600: Uses of Funds	6
Section 601: Eligible Uses	6
Section 700: Administration	7
Section 701: Fiscal Administration	7
Section 702: Accounting Records, Audits, Remedies of Non-performance, and Reporting	9
Section 800: Right to Modify or Suspend and Final Decision-making	13
Attachment A: Enabling Legislation	14
Attachment B: Required Resolution Template	0
Attachment C: Definitions	0

Prohousing Incentive Program

Section 100: Introduction

The California Department of Housing and Community Development (Department/HCD) is pleased to release program guidelines (Guidelines) for funding through the Prohousing Incentive Program (Program). The Prohousing Incentive Program is designed to encourage cities and counties to obtain Prohousing Designation.

The Program is funded through Chapter 364, Statutes of 2017 (SB 2, Atkins), which established the Building Homes and Jobs Trust Fund (Fund). The Fund utilizes real estate transaction fees collected at a county level to establish a permanent source of funding. Five percent of annual collections are deposited in a fund to be used for an incentive program.

The Program awards funds based on the Eligible Applicant's Prohousing Designation Program Score (as codified in the California Code of Regulations Title 25 Housing and Community Development, Division 1, Chapter 6, Subchapter 6.6, Sections 6600 through 6608, Consecutive Prohousing Designation Program). This round of program funding provides awards for Eligible Applicants to use towards planning and implementation activities related to housing and community development. The content and structure of future rounds of Program funding is subject to change at the Department's sole discretion.

Section 101: Scope and Authority

These Guidelines are authorized pursuant to Chapter 2.5 of Health and Safety Code (Sections 50470 to 50475). The Guidelines implement, interpret, and make specific provisions for purposes of implementing an incentive program pursuant to Health and Safety Code section 50470, subdivision (b)(2)(C)(i), (hereinafter "Prohousing Incentive Program" or "PIP").

The Guidelines provide the Department's plan for the expenditure of PIP funds and the administration of the Program. As such, these Guidelines establish terms, conditions, forms, procedures, and other mechanisms as the Department deems necessary to exercise the powers and perform the duties conferred by Chapter 2.5.

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Section 50470 (d) of the Health and Safety Code states "In consultation with stakeholders, the department may adopt guidelines to implement this section, including to determine allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the department in implementing this chapter shall not be subject to the requirements of the Administrative Procedures Act."

These guidelines are mandated and have the dignity of statutes. (*Ramirez v. Yosemite Water Co.*, 20 Cal. 4th 785, 800 (1999) [stating "'Quasi-legislative regulations ... have the dignity of statutes ... [and]... delegation of legislative authority includes the power to elaborate the meaning of key statutory terms...'"].

Ramirez v. Yosemite Water Co., 20 Cal. 4th 785, 800 (1999)

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

Section 200: Eligibility

Section 201: Eligible Applicants

- (A) Eligible Applicants are limited to cities, counties, and cities and counties.
- (B) Only Eligible Applicants may submit an application.
- (C) Eligible Applicants may partner through legally binding agreements with other forms of governments or entities. This includes, but is not limited to, partnerships with other localities, regional governments, housing authorities, school districts, special districts, community-based organizations, Tribal Entities or any duly constituted governing body of an Indian Reservation or Rancheria.
- (D) Eligible Applicants in partnerships may determine the amount of incentive payments between Eligible Applicants participating in the partnership in consultation with the Department.
- (E) Eligible Applicants forming partnerships must submit separate, completed, and signed application packages, including resolutions and a copy of the signed agreement between partners to the Department in order to be awarded funds.

Section 202: Threshold Requirements

Eligible Applicants must meet all of the following threshold requirements for participation in the Program:

- (A) An adopted housing element in substantial compliance, as determined by the Department, pursuant to Housing Element Law (Article 10.6 of Gov. Code) in accordance with Government Code section 65585, subdivision (h).
 - 1. Applicants not meeting housing element requirements may be considered to meet this threshold requirement at the discretion of the Department on

a case-by-case basis. Criteria for consideration include but are not limited to significant progress in meeting housing element requirements (e.g., a draft found to meet statute, rezoning near completion), proposing activities to meet housing element requirements (e.g., rezoning to accommodate housing needs pursuant to Gov. Code Section 65583(c)(1)) and adoption of a compliant element prior to the award of funds.

- (B) Housing Element Annual Progress Report submittal pursuant to Government Code Section 65400 for the current or prior year, as applicable.
- (C) Prohousing Designation: A completed Prohousing Designation application (per the regulations codified in the California Code of Regulations Title 25 Housing and Community Development, Division 1, Chapter 6, Subchapter 6.6, Sections 6600 through 6608, Consecutive Prohousing Designation Program), with an authorizing resolution, must be submitted prior to or in conjunction with the applicant's PIP application. PIP awards cannot be made until a Prohousing Designation is obtained, as determined by the Department.
- (D) A complete application as determined by the Department.
- (E) A resolution authorizing submittal of the application to the Program that materially comports with the Program's requirements and is legally sufficient as determined in the Department's reasonable discretion, including an authorized representative. See Attachment B for required resolution format.
- (F) Compliance with state and federal housing laws as determined by the sole discretion of HCD.
- (G) Demonstration of meeting threshold criteria shall be determined by the Department in its sole and absolute discretion. No documentation of meeting threshold requirements is required in the application unless requested by the Department.

Section 300: Application Requirements

Section 301: Application Content

- (A) Eligible Applicants may request an allocation of funds by submitting a complete application to the Department.
- (B) Application must utilize the forms and manner prescribed in the Department's application.

- (C) The application can be found on the Department's website at <https://www.hcd.ca.gov/grants-and-funding/programs-active/prohousing-incentive-program>.
- (D) Eligible Applicants must submit a Government Agency Taxpayer Identification Form for an application to be considered complete.
- (E) The Department may request additional information and documentation as appropriate.
- (F) The Department may consult with and gather relevant information from any individual, entity, or public agency.

Section 302: Application Submittal

- (A) An applicant must submit a completed, signed original application in electronic form.
- (B) The Department encourages early applications and will accept applications up to the date and time noted on the cover letter of the Notice of Funding Availability (NOFA).
- (C) All applications must be submitted by email to: ProhousingIncentive@hcd.ca.gov.

Section 400: Application Review

Section 401: Application Process

- (A) Applications will be reviewed for completeness, eligibility, and for meeting threshold requirements.
- (B) Eligible Applicants will have until the date specified in the NOFA to obtain Prohousing Designation. After the specified date, HCD will rank Eligible Applicants that met threshold requirements according to their Prohousing Designation Score, as determined by the Department.
- (C) Ranked applications will be sorted by geographic category, as described in Section 404 of these Guidelines.
- (D) Priority will be given to Eligible Applicants that have *not received* PIP funds in prior funding rounds. Eligible Applicants *awarded* in prior funding rounds will only be eligible to receive an award once all previously unfunded Eligible Applicants receive an award.

Section 402: Base Award and Bonus Award Calculation

- (A) Eligible Applicants will receive a base award according to population size (see Section 500). In addition, Eligible Applicants may receive a bonus award up to \$500,000.
- (B) For the purpose of calculating the bonus award, an Eligible Applicant's Prohousing Designation Score will be multiplied by 10,000. For example, an Eligible Applicant with a Prohousing Designation Score of 35 points will be eligible to receive up to a \$350,000 bonus award in addition to the base award. The bonus award amount shall not exceed \$500,000.

Section 403: Scoring – Tie Breaker

- (A) Eligible Applicants that submit complete applications that meet threshold requirements will be awarded in order of rank and priority, as described in Section 401(D), until funding is depleted.
- (B) In the event of a tie (i.e., two or more Eligible Applicants have the same Prohousing Designation Score), the Eligible Applicant with the smaller population size will receive funding first.

Section 404: Geographic Categories

- (A) Ranked applications will be considered for awards according to six geographic categories, as follows:
1. Southern California: Imperial, Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego
 2. Bay Area: Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, Sonoma, San Francisco
 3. San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
 4. Sacramento Area: Amador, El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba
 5. Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz
 6. North State and Sierra Nevada: Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne

- (B) Funds are made available to each geographic category based upon the percentage of 2030 population projections, as determined by the Department of Finance (see the NOFA).
- (C) The total proportion of available funds in geographic categories will not exceed 75 percent of the total amount of the NOFA.
- (D) Awards will be funded from each geographic category's total available funding amount until the funds for that category are depleted. If Eligible Applicants' awards exceed the funding available to a geographic category, Eligible Applicants may qualify to fulfill their eligible award from the 25 percent residual set-aside in ranking order.
 - 1. In the event of funds being depleted such that a partial award is indicated, the residual set-aside may be utilized to enhance the award at the discretion of the Department.
- (E) If both an Eligible Applicant's geographic category and the residual set-aside have been depleted, that Eligible Applicant may be eligible for remaining funds at the sole discretion of the Department. Remaining funds will come from unutilized money from geographic categories only after Eligible Applicants located in those geographic categories have been awarded.
- (F) When all funds have been depleted, the final Eligible Applicant in the ranking will only be eligible for the award amount that remains in the coffer. Eligible Applicants in this position may opt to pull their PIP application until additional funds are made available to fulfill their eligible award amount in potential future funding rounds.
- (G) The Department reserves discretion to alter funding amounts and the distribution methodology to advance Program goals and achieve an equitable outcome.

Section 500: Eligible Award Calculation

- (A) This program will make funding available to jurisdictions as Prohousing Incentive grants as determined by the NOFA.
- (B) Maximum total award amounts will be no greater than \$2 million per Eligible Applicant. Total potential award amounts are determined by adding an Eligible Applicant's base award amount with an Eligible Applicant's bonus award amount, as established by the criteria described in Section 402 of these Guidelines.

(C) Base award amounts are based on population estimates as of January 1 of the NOFA year¹. See the NOFA for the maximum base award amount that a jurisdiction may receive pursuant to this subdivision².

(D) Eligible Applicants in partnerships with other cities or counties, as allowed by section 201(C) of these Guidelines, may qualify for up to the sum of individual Eligible Applicant base award amounts. For example, two jurisdictions between 50,000 and 99,999 people could submit a proposal for up to \$1 million in base awards.

Section 600: Uses of Funds

Section 601: Eligible Uses

Eligible Applicants must use award funds towards planning or implementation activities related to housing and community development limited to activities that conform with eligible uses pursuant to Health and Safety Code section 50470(b)(2)(D):

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households, including necessary operating subsidies.
2. Affordable rental and ownership housing that meets the needs of a growing workforce earning up to 120 percent of area median income, or 150 percent of area median income in high-cost areas.
3. Matching portions of funds placed into local or regional housing trust funds.
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of Section 34176 of the Health and Safety Code.
5. Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Bond Act of 2014.

¹ Population estimates are based on the Department of Finance E-1 report: <https://dof.ca.gov/Forecasting/Demographics/estimates-e1/>.

² Maximum and minimum award amounts may be adjusted by the Department based on demand for the Program.

6. Assisting persons who are experiencing or at risk of homelessness, including providing rapid rehousing, rental assistance, navigation centers, emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
7. Accessibility modifications.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes.
9. Homeownership opportunities, including, but not limited to, down payment assistance.
10. Fiscal incentives or matching funds to local agencies that approve new housing for extremely low, very low, low-, and moderate-income households.

Section 700: Administration

Section 701: Fiscal Administration

(A) Grant Execution and Term

1. The Department will notify the grantee if they have been selected for a grant award:
 - i. After the Standard Agreement has been drawn, the grantee will be provided instructions for signing all required documents. The grantee must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions, or risk forfeiting the grant award;
 - ii. The grant term begins on the day the Department and the grantee have fully executed the Standard Agreement. The Department will notify the grantee and partners when work may proceed under the agreement. However, eligible activities that are approved by the Department may be retroactively reimbursed to the date of the NOFA; and
 - iii. The end of the grant term will be determined by the state based on the availability of grant funds and the administrative requirements for liquidation.

(B) Payment and Accounting of Grant Funds

1. Grant funds cannot be reimbursed until the Standard Agreement has been fully executed.

2. The grantee will be responsible for compiling and submitting all invoices and reporting documents. Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid. Failure to provide requested documentation to HCD could result in exclusion from consideration for grants in future program years.
3. The grantee will submit documentation to the Department detailing actual costs incurred, which must be based on clear and completed objectives and deliverables as outlined in the PIP application, Exhibit E of the Standard Agreement, and any other supplemental forms prescribed by the Department.
4. Supporting documentation may include, but is not limited to, receipts, progress payments, subcontractor invoices, timecards or any other documentation as deemed necessary by the Department to support the reimbursement to the grantee for expenses in accordance with the grantee's PIP application and these PIP Guidelines.
5. The grantee must bill the state based on clear deliverables outlined in the Standard Agreement or budget timeline. Only approved and eligible costs incurred for work after the NOFA date, and completed and processed prior to the expenditure deadline, will be reimbursable. Approved and eligible costs incurred prior to the NOFA date are ineligible.
6. Work must be completed prior to requesting reimbursement, unless otherwise approved by the Department.
7. Grant fund payment will be made on a reimbursement basis. Project invoices will be submitted to the Department by the grantee on a quarterly basis or, if earlier, upon completion of deliverables.
8. In unique and/or unusual circumstances, the Department may consider alternative arrangements (e.g., disbursements in advance of activity initiation) to reimbursement and payment methods. Unusual circumstances include but are not limited to feasibility, unavailable funds or lack of resources and substantial progress in expenditure.
9. The Department recognizes that budgeted deliverable amounts are based upon estimates. Grantees may request, in writing, a budget adjustment across deliverables subject to written approval by the Department, as long as the total budget does not exceed the maximum amount awarded to the grantee.

10. The Department may withhold grant funds until grant terms have been fulfilled.
11. The Department may withhold eligible program grants in future program years until terms of the Standard Agreement have been fulfilled to the satisfaction of the Department.
12. Each recipient of funds under the Program shall expend those funds no later than June 30, 2026. Final invoices shall be submitted to the Department three months prior to the expenditure deadline.

Section 702: Accounting Records, Audits, Remedies of Non-performance, and Reporting

(A) Accounting Records

1. The contractor is responsible for maintaining records which fully disclose the activities funded by the grant. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the state, of the accuracy of the records and the allowability of expenditures charged to grant funds. If the allowability of an expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and the state shall determine the reimbursement method for the amount disallowed. The state's determination of the allowability of any expense shall be final.
2. The grantee, its staff, contractors, and subcontractors shall establish and maintain an accounting system and reports that properly accumulate incurred project costs by line. The accounting system shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for payment vouchers and invoices.
3. The grantee must establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the scope of work, project timeline and budget. Separate bank accounts are not required.
4. The grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred during the project in accordance with GAAP.
5. The grantee agrees that the Department or its designee shall have the right to review, obtain, and copy any records and supporting documentation pertaining to the performance of the Standard Agreement.

The grantee agrees to provide the Department or its designee with any relevant information requested.

6. The grantee agrees to permit the Department or the Department's designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with statutes, Program Guidelines, and the Standard Agreement.
7. Subcontractors employed by the grantee and paid with moneys under the terms of the Standard Agreement shall be responsible for maintaining accounting records as specified above. The grantee shall monitor and enforce subcontracts accordingly.

(B) Audits

1. At any time during the term of the Standard Agreement, the Department may perform or cause to be performed a financial audit of all phases of the award. At the Department's request, the grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during and over the project life.
2. The grantee agrees that the Department or the Department's designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of the Standard Agreement.
3. If a financial audit is required by the Department, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in Exhibit D, Section 8 of the Standard Agreement.
4. The grantee shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the Department to the independent auditor's working papers.
5. The grantee is responsible for the completion of audits and all costs of preparing audits.
6. If there are audit findings, the grantee must submit a detailed response acceptable to the Department for each audit finding within 90 days from the date of the audit finding report.

7. The grantee agrees to maintain such records for possible audit after the final payment pursuant to Exhibit D, Sections 8 and 9 of the Standard Agreement, unless a longer period of records retention is stipulated.
8. The grantee shall include in any contract that it enters in an amount exceeding \$10,000, the Department's right to audit the contractor's records and interview their employees.
9. The grantee shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Contracts Code Section 10115.10.
10. The grantee shall retain all books and records relevant to the Standard Agreement for a minimum of five years after the end of the term of the Standard Agreement. Records relating to any and all audits or litigation relevant to the Standard Agreement shall be retained for five years after the conclusion or resolution of the matter.
 - i. If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues which arise from it.

(C) Remedies of Non-performance

1. In the event that it is determined, at the sole discretion of the Department, that the grantee is not meeting the terms and conditions of the Standard Agreement, the grantee shall cease all work under the Standard Agreement immediately upon receiving a written notice from the Department. The Department has the sole discretion to determine that the grantee meets the terms and conditions after a stop work order, and to deliver a written notice to the grantee to resume work under the Standard Agreement.
2. Both the grantee and the Department have the right to terminate the Standard Agreement at any time upon 30 days written notice. The notice shall specify the reason for early termination and may permit the grantee or the Department to rectify any deficiency(ies) prior to the early termination date. The grantee will submit any requested documents to the Department within 30 days of the early termination notice.
3. At any time, if the Department finds the applicant falsely proposed information in the application or as part of the application review,

including documentation related to incentive payments (e.g., affordability, enhancements), the Department may require the repayment of funds or decline reimbursement.

4. The Department may, as it deems appropriate or necessary, require the repayment of funds from a grantee, or pursue any other remedies available to it by law for failure to comply with Program requirements (Health and Safety Code section 50515.04(e)).

(D) Reporting

1. At any time during the term of the Standard Agreement, the Department may request a performance report that demonstrates satisfaction of all requirements identified in the Standard Agreement with emphasis on eligible activities, eligible uses, ineligible uses, and expenditures, according to timelines and budgets referenced in the Standard Agreement.
2. Grantees shall submit a report, in the form and manner prescribed by the Department, by April 1 of the year following the receipt of funds, and annually thereafter until funds are expended. The annual report shall contain a detailed report which must include, at a minimum:
 - i. Identification of the eligible activities to which the Grantee committed program funds, and the income levels of households assisted;
 - ii. Amounts awarded to Subrecipients with the activity(ies) identified;
 - iii. Identification of the eligible activities upon which the contractor expended program funds, and the income levels of households assisted and the affordability level for any units assisted; and
 - iv. Close out report for contracts that were fully expended and in which all activities funded were completed during the fiscal year.
3. The Department may request additional information, as needed.
4. Upon completion of all deliverables within the Standard Agreement and prior to processing final invoicing, the awardee shall submit a closeout report.

Section 800: Right to Modify or Suspend and Final Decision-making

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of these Guidelines at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. You may subscribe to the Department's email list here: http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.

The Department's decision to approve or deny an application or request for funding pursuant to the Program, and its determination of the amount of funding to be provided, shall be final.

Attachment A: Enabling Legislation

Building Homes and Jobs Act

Chapter 2.5 of the Health and Safety Code (Sections 50470 – 50475) (Chapter 364, Statutes of 2017)

Health and Safety Code 50470.

- (a) (1) There is hereby created in the State Treasury the Building Homes and Jobs Trust Fund. All interest or other increments resulting from the investment of moneys in the fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code.
- (2) Moneys in the Building Homes and Jobs Trust Fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except to the Surplus Money Investment Fund.
- (b) Moneys in the Building Homes and Jobs Trust Fund shall be appropriated either through the annual Budget Act, or as provided in this subdivision, in accordance with the following:
 - (1) Moneys collected on and after January 1, 2018, and until December 31, 2018, shall, upon appropriation by the Legislature, be allocated as follows:
 - (A) Fifty percent of deposits into the fund shall be made available for local governments to update planning documents and zoning ordinances in order to streamline housing production, including, but not limited to, general plans, community plans, specific plans, sustainable communities' strategies, and local coastal programs. Eligible uses also include new environmental analyses that eliminate the need for project-specific review and local process updates that improve and expedite local permitting.
 - (i) Five percent of the funds specified by this subparagraph shall be available for technical assistance to jurisdictions updating specified planning documents. Technical assistance shall be provided by the department and the Governor's Office of Planning and Research.
 - (ii) The funds to be allocated pursuant to this subparagraph shall be held by the department until a local government submits a request for use. The request shall include a description of the proposed use of the funds in the interest of accelerating housing production. The proposed use of these funds shall be included in the local government's funding plan and annual reports pursuant to subclauses (II) and (III) of clause (ii) of subparagraph (B) of paragraph (2). Each recipient of funds under the program shall encumber the funds by December 31, 2020, and shall expend those funds no later than December 31, 2023. Any of these funds not allocated by the department within the first two years that those funds are available shall be made available by the department for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).
 - (B) Fifty percent of deposits into the fund shall be made available to the department to assist persons experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance,

navigation centers, and the new construction, rehabilitation, and preservation of permanent and transitional rental housing.

(C) The department shall ensure geographic equity in the distribution and expenditure of funds allocated pursuant to this paragraph.

(2) Moneys collected on and after January 1, 2019, shall be allocated as follows:

(A) Twenty percent of all moneys in the fund shall, upon appropriation by the Legislature, be expended for affordable owner-occupied workforce housing.

(B) (i) Seventy percent of moneys deposited in the fund shall, upon appropriation by the Legislature, be made available to local governments as follows:

(I) Ninety percent of the moneys specified in this subparagraph shall be allocated based on the formula specified in Section 5306 of Title 42 of the United States Code, in accordance with the distribution of funds pursuant to that formula for the federal Fiscal Year 2017, except that the portion allocated to nonentitlement areas pursuant to that section shall be distributed through a competitive grant program, administered by the department, as follows:

(ia) The department shall award priority points to a county that has a population of 200,000 or less within the unincorporated areas of the county, to a local government that did not receive an award based on the formula specified in Section 5306 of Title 42 of the United States Code in 2016, and to a local government that pledges to use the money awarded pursuant to a competitive grant under this subclause to assist persons experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, navigation centers, and the new construction, rehabilitation, and preservation of permanent and transitional rental housing.

(ib) Moneys awarded to a local government pursuant to the competitive grant program shall be used for the purposes specified in subparagraph (D).

(II) The remaining 10 percent of the moneys specified in this subparagraph shall be allocated equitably among local jurisdictions that are nonentitlement areas pursuant to the formula specified in Section 5306 of Title 42 of the United States Code for federal Fiscal Year 2017.

(ii) To receive moneys pursuant to this subparagraph, local governments shall document minimum standards including the following:

(I) Submit a plan to the department detailing the manner in which allocated funds will be used by the local government in a manner consistent with this paragraph and to meet the

local government's unmet share of the regional housing needs allocation.

(II) Have a compliant housing element with the state and submit a current annual report pursuant to Section 65400 of the Government Code.

(III) Submit an annual report to the department that provides ongoing tracking of the uses and expenditures of any allocated funds.

(IV) Funds may be expended for the uses listed in subparagraph (D). Two or more local governments that receive an allocation pursuant to this subparagraph may expend those moneys on a joint project that is an authorized use under subparagraph (D).

(V) Prioritize investments that increase the supply of housing to households that are at or below 60 percent of area median income, adjusted for household size.

(VI) If a local government does not have a documented plan to expend the moneys allocated to it pursuant to this subparagraph within five years of that allocation, those moneys shall be exempt from the allocation requirements in this paragraph and shall revert to, and be paid and deposited in, the Housing Rehabilitation Loan Fund established pursuant to Section 50661 to be used for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)) or for technical assistance for local governments.

(VII) A local government may petition the department to return any moneys allocated to it pursuant to this subparagraph. Any moneys returned pursuant to this clause shall be used for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(C) Thirty percent of moneys deposited in the fund shall be made available to the department for use as follows:

(i) Five percent of the moneys deposited in the fund shall, upon appropriation by the Legislature, be used for state incentive programs, including loans and grants administered by the department. If the department receives insufficient funding applications for incentive programs financed pursuant to this clause, the department shall make those funds available for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(ii) (I) Subject to subclause (II), 10 percent of the moneys deposited in the fund shall, upon appropriation by the Legislature, be used to address affordable homeownership and rental housing opportunities for agricultural workers and their families.

(II) On and after January 1, 2020, housing funded pursuant to this clause shall not be rented, sold, or subleased to an

agricultural employer, as defined in Section 1140.4 of the Labor Code, or its agent, or a farm labor contractor, as defined in Section 1682 of the Labor Code, or its agent, who employs at least one H-2A worker, as defined in Section 50205, until the expiration of the regulatory agreement or affordability covenant, as applicable. A person or entity who receives funds made available pursuant to this clause on or after January 1, 2020, and expends any of those funds for the purpose of funding predevelopment of, developing, or operating any housing that is rented, sold, or subleased to an agricultural employer, as defined in Section 1140.4 of the Labor Code, or its agent, or a farm labor contractor, as defined in Section 1682 of the Labor Code, or its agent, and who employs at least one H-2A worker, as defined in Section 50205, until the expiration of the regulatory agreement or affordability covenant, as applicable, shall reimburse the department or other state agency that provided those funds, as provided in paragraph (2) of subdivision (b) of Section 50205. This subclause shall not apply to any contract entered into or any financial assistance provided pursuant to this clause prior to January 1, 2020.

(III) A person or entity who receives funds made available pursuant to this section on and after January 1, 2020, and expends any of those funds for the purpose of funding predevelopment of, developing, or operating any housing shall submit a declaration to the department declaring the following:

- (ia) (Ia) The person or entity is not an agricultural employer, as defined in Section 1140.4 of the Labor Code, or its agent, or a farm labor contractor, as defined in Section 1682 of the Labor Code, or its agent, who employs at least one H-2A worker, as defined in Section 50205.
- (Ib) The person or entity will not rent, sell, or sublease any housing funded pursuant to this chapter to an agricultural employer, as defined in Section 1140.4 of the Labor Code, or its agent, or a farm labor contractor, as defined in Section 1682 of the Labor Code, or its agent, who employs at least one H-2A worker, as defined in Section 50205, until the expiration of the regulatory agreement or affordability covenant, as applicable.
- (ib) The declaration described in sub-subclause (ia) can be met through the inclusion in a regulatory agreement or affordability covenant, as applicable,

with the department that is signed by the person or entity receiving funds pursuant to this chapter.

(iii) Fifteen percent of the moneys deposited in the fund shall, notwithstanding any other provision of this section or Section 13340 of the Government Code, be continuously appropriated to the California Housing Finance Agency for the purpose of creating mixed income multifamily residential housing for lower to moderate-income households pursuant to Chapter 6.7 (commencing with Section 51325) of Part 3.

(D) The moneys in the fund allocated to local governments may be expended for the following purposes:

(i) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low-, and moderate-income households, including necessary operating subsidies.

(ii) Affordable rental and ownership housing that meets the needs of a growing workforce earning up to 120 percent of area median income, or 150 percent of area median income in high-cost areas.

(iii) Matching portions of funds placed into local or regional housing trust funds.

(iv) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of Section 34176 of the Health and Safety Code.

(v) Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Bond Act of 2014.

(vi) Assisting persons who are experiencing or at risk of homelessness, including providing rapid rehousing, rental assistance, navigation centers, emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

(vii) Accessibility modifications.

(viii) Efforts to acquire and rehabilitate foreclosed or vacant homes.

(ix) Homeownership opportunities, including, but not limited to, downpayment assistance.

(x) Fiscal incentives or matching funds to local agencies that approve new housing for extremely low, very low, low-, and moderate-income households.

(3) A state or local entity that receives an appropriation or allocation pursuant to this chapter shall use no more than 5 percent of that appropriation or allocation for costs related to the administration of the housing program for which the appropriation or allocation was made.

(c) Both of the following shall be paid and deposited in the fund:

(1) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(2) Any other moneys that may be made available to the department for the purposes of the fund from any other source or sources.

(d) In consultation with stakeholders, the department may adopt guidelines to implement this section, including to determine allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

Attachment B: Required Resolution Template

RESOLUTION NO. [insert resolution number]

A RESOLUTION OF THE [INSERT EITHER “CITY COUNCIL” OR “COUNTY BOARD OF SUPERVISORS”] OF [INSERT THE NAME OF THE CITY OR COUNTY] AUTHORIZING APPLICATION FOR, AND RECEIPT OF, Prohousing Incentive Program funds.

WHEREAS, pursuant to Health and Safety Code 50470 et. Seq, the California Department of Housing and Community Development (Department) is authorized to issue Guidelines as part of an incentive program (hereinafter referred to by the Department as the Prohousing Incentive Program or “PIP”); and

WHEREAS the [insert either “City Council” or “County Board of Supervisors”] of [insert the name of the City or County] desires to submit a PIP grant application package (“Application”), on the forms provided by the Department, for approval of grant funding for eligible activities toward planning and implementation activities related to housing and community development as a result of meeting eligibility criteria including but not limited to Prohousing Designation; and

WHEREAS, the Department has issued Guidelines and Application on XXXXXXXXXXXXXXX in the amount of \$xxxxxxx for PIP;

Now, therefore, the [insert either “City Council” or “County Board of Supervisors”] of [insert the name of the city or county] (“Applicant”) resolves as follows:

SECTION 1. The [insert the authorized designee’s TITLE ONLY] is hereby authorized and directed to submit an Application to the Department in response to the NOFA, and to apply for the PIP grant funds in a total amount not to exceed \$_____;

SECTION 2. In connection with the PIP grant, if the Application is approved by the Department, the [insert the authorized designee’s TITLE ONLY] of the [insert the name of the City or County] is authorized and directed to enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of [\$ enter the dollar amount of the Applicant’s request], and any and all other documents required or deemed necessary or appropriate to evidence and secure the PIP grant, the Applicant’s obligations related thereto, and all amendments thereto; and

SECTION 3. The Applicant shall be subject to the terms and conditions as specified in the Guidelines, and the Standard Agreement provided by the Department after approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the Guidelines and in conjunction with the terms of the Standard Agreement, the Applicant hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.

ADOPTED ON [insert the date of adoption], by the [insert either “City Council” or “County Board of Supervisors”] of [insert the name of the City or County] by the following vote count:

AYES: NAYS: ABSENT: ABSTAIN:
ATTEST: APPROVED AS TO FORM:

[Signature of Attesting Officer]

APPROVED

[Signature of approval]

Attachment C: Definitions

Capitalized terms shall have the meanings set forth below:

- A. "Department" means the California Department of Housing and Community Development.
- B. "Designated Program Year" means the designated time period as indicated in the Notice of Funding Availability ("NOFA") issued by the Department for each funding round.
- C. "Eligible Applicant" means a city, county, or city and county that is in compliance with applicable housing laws as described in section 202(F) herein.
- D. "Extremely Low-Income Households" has the meaning set forth in Health and Safety Code Section 50106.
- E. "Low-Income Households" has the meaning set forth for lower-income households in Health and Safety Code Section 50079.5.
- F. "Preserved" means units Preserved at affordable housing costs to lower-income households by acquisition of the units or the purchase of affordability covenants and restrictions as described in paragraph (2) of subdivision (c) of Section 65583.1 of the Government Code, except that the city, county, or city and county may have committed assistance at any time during the projection period.
- G. "Program" means the Prohousing Incentive Program implemented by these Guidelines.
- H. "Prohousing Designation" means the Eligible Applicant has fulfilled the criteria codified at CCR Title 25 HCD Div. 1, Chapter 6, Subchapter 6.6, Sections 6600 through 6607, consecutive [prohousing-regulation-text.pdf \(ca.gov\)](https://www.cdph.ca/Programs/OPA/Pages/NR2020-0001.aspx).
- I. "Prohousing Designation Score" means the number of points allocated to a jurisdiction as part of the Prohousing Designation Program for the purpose of determining whether the jurisdiction receives designation, per the regulations codified in the California Code of Regulations Title 25 Housing and Community Development, Division 1, Chapter 6, Subchapter 6.6, Sections 6600 through 6607, Consecutive Prohousing Designation Program.
- J. "Substantially Rehabilitated" means units at imminent risk of loss to the housing stock which are Substantially Rehabilitated and therefore represent a net increase in the community's affordable housing stock as described in paragraph (2) of subdivision (c) of Section 65583.1 of the Government Code, except that the city, county, or city and county may have committed assistance at any time during the projection period.
- K. "Very Low-Income Households" has the meaning set forth in Health and Safety Code Section 5015.

Exhibit C: Promissory Note
PLHA / PIP LOAN PROMISSORY NOTE

\$1,032,371.43

[DATE]

FOR VALUE RECEIVED, COMMUNITY SYSTEM SOLUTIONS, a California nonprofit corporation (the “Maker”), having an address of 7806 Juarez Way, Fair Oaks, CA 95628, promises to pay CITY OF CRESCENT CITY (“Holder”), the principal sum not to exceed One Million Thirty-Two Thousand Three Hundred Seventy-One Dollars and Forty-Three Cents (\$1,032,371.43), together with simple interest as detailed herein, pursuant to the terms and conditions set forth below.

§ 1. FUNDS. This Promissory Note (the “Note”) is made in connection with a Loan Agreement entered into by and between Holder and Maker utilizing two awards through the California Department of Housing and Community Development (“HCD”): (1) Permanent Local Housing Allocation (“PLHA”) funds to Holder pursuant to that certain Standard Agreement No. 23-PLHA-18498 between HCD and Holder dated 09/19/2024 (“PLHA Standard Agreement”); (2) Prohousing Incentive Program (“PIP”) funds to the Holder pursuant to that certain Standard Agreement No. 23-PIP-18478 between HCD and Holder dated 12/09/2024 (“PIP Standard Agreement”). Holder makes a loan of \$383,099.10 in PLHA funds and \$649,272.33 in PIP funds to Maker for the construction of affordable housing that will address the City’s housing needs (the “Housing Project”) on certain real property currently identified as 964 Third Street, Crescent City, California (the “Site”).

§ 2. SECURITY. Payment of this Note is secured by a Deed of Trust and Assignment of Rents (the “Deed of Trust”) from Maker to Holder to be recorded against the Site.

§ 3. PAYMENT. Payment on this Note is deferred for (10) years from June 1, 2026. If the Note is not forgiven by Holder in accordance with § 4 hereof, then simple interest shall begin to accrue at the rate of 3.0% per annum and periodic payments shall commence July 1st of that same year. Monthly payments of \$5,7251.51 per month for 240 months. All payments made hereunder shall be credited first to any accrued but unpaid interest, then to current interest due and owing and lastly to principal. Interest not paid current shall accrue and shall not be compounded. All principal and interest due and payable on June 1, 2046.

Maker may pay any portion of the principal balance at any time without notice and without prepayment penalties or fees.

Any payments due hereunder shall be made in lawful money of the United States to the City of Crescent City, 377 J Street, Crescent City, California 95531. The place of payment may be changed from time to time as Holder may designate in writing.

§ 4. FORGIVABLE. The Note will be determined to be forgivable if the following criteria are met:

- a. The loaned funds were spent on one or more PLHA/PIP Program eligible activities: land acquisition, demolition and site improvements, off-site improvements, architectural fees, engineering fees, permits and development fees, accounting fees, title and recording fees, taxes and assessment, insurance costs, environmental review (including require studies), financing costs (appraisal / market study, performance bond, construction loan interest, lender inspections, lender legal costs, borrower legal costs, soft debt / total construction period interest, bond issuance costs, construction-permanent loan costs, capitalized operation / transition reserve), site and building construction costs, lease-up costs, contingencies and developer fees.
- b. The loaned funds were spent on a Housing Project that created at least 4 affordable housing units for very low, low, or moderate-income households. The units must be certified for occupancy prior to June 1, 2030.
- c. The Maker is in compliance with this Promissory Note, the Deed of Trust and the Affordable Housing Covenant.

§ 5. DEFAULT. Notwithstanding anything to the contrary provided herein, in the event that the Housing Project is in material default under the terms of the Affordable Housing Covenant such that the affordability restrictions are no longer in effect, or if there shall have been an uncured event of default under this Note or the Deed of Trust securing this Note after the passage of applicable notice and cure periods, then the entire unpaid principal of this Note and accrued interest thereon shall be immediately due and payable.

§ 6. SITE MAINTENANCE. Maker hereby covenants and agrees that it shall maintain, or cause to be maintained, the Site in a manner consistent with the provisions set forth therefor in the Crescent City Municipal Code and shall keep the entire Site reasonably free from any accumulation of debris or waste materials prior to and after construction. If, at any time, Maker fails to maintain the Site, and has either failed to commence to cure such condition or to diligently prosecute to completion the condition or the condition is not corrected after expiration of thirty (30) days from the date of written notice from Holder to Maker, Holder may perform the necessary corrective maintenance, and Maker shall pay such costs as are reasonably incurred for such maintenance. Holder shall have the right to place a lien on the property should Maker not reimburse Holder for such costs within sixty (60) days following Holder's written demand to Maker for reimbursement of such costs.

Maker, on behalf of itself its heirs, successors and assigns, hereby grants to Holder and its officers, employees and agents, an irrevocable license to enter upon the Site to perform such maintenance during normal business hours after receipt of written notice

from Holder as hereinabove described and Maker's failure to cure or remedy such failure within sixty (60) days of such notice. Any such entry shall be made only after reasonable notice to Maker, and Holder shall indemnify and hold Maker harmless from any claims or liabilities pertaining to any such entry by Holder. Failure by Maker to maintain the Site in the condition provided in this Section may, in Holder's reasonable discretion, constitute a default under this Note and the related Deed of Trust.

The foregoing covenants shall remain in effect for the Site for a period of fifty-five (55) years from the date of the Certificate of Completion is issued, or until all amounts due Holder hereunder are paid in full, whichever is later.

§ 7. **DEFAULT.** The occurrence of any of the following shall constitute an event of default under this Note: (i) Maker fails to pay any amount due hereunder within fifteen (15) days of its due date; (ii) Any default by Maker under this Note, the Deed of Trust, the City Loan Agreement, the PLHA Standard Agreement, or the PIP Standard Agreement after the expiration of applicable notice and cure periods; (iii) Any default by Maker under any other document affecting the Housing Project or Site after the expiration of any applicable notice or cure periods provided therein; (iv) except for transfers that are permitted pursuant to Section 2 of that certain Affordable Housing Covenant between Maker and Holder to be entered into concurrently herewith, the sale, transfer or other conveyance of all or any part of the Site or Housing Project, or any interest in it, without Holder's prior written consent, which shall not be unreasonably withheld.

§ 8. **DEFAULT – IMMEDIATELY DUE & PAYABLE.** Upon the occurrence of any event of default, or at any time thereafter, at the option of Holder hereof and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

§ 9. **DEFAULT – PENALTY.** At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of the highest rate then allowed by law or two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

§ 10. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

§ 11. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the Standard Agreement or under any loan document referred to herein Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefore or to the protection of its rights under this Note, the Deed of Trust, the PLHA Standard Agreement, the PIP Standard Agreement or other loan document, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

§ 12. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto or the interest of the Holder under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site.

§ 13. Payment of this Note is secured solely by the Deed of Trust recorded against the Site and all improvements thereon, without recourse of any kind against Maker or its constituent entities or limited partners.

§ 14. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in this Note or at such other address as either party may designate in written notice. Copies of any notices given under this Note shall be sent as follows:

To Holder: City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Manager

To Maker: Community System Solutions
7806 Juarez Way
Fair Oaks, CA 95628
Attn: Michael Bahr, CEO

§ 15. This Note shall be binding upon Maker, its successors and assigns.

§ 16. This Note shall be construed in accordance with and be governed by the laws of the State of California.

§ 17. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the Maker has executed this Note effective as of the date first above written.

COMMUNITY SYSTEM SOLUTIONS

By: _____

MICHAEL BAHR, CEO

Exhibit D: Deed of Trust

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Clerk

TAX STATEMENTS: NO CHANGE

APN 118-120-025-000

Exempt from Recording Fees Per Gov. Code Section 27383
Exempt from SB 2 Fees per Gov. Code § 27388.1(a)(2)(D)

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, FIXTURE FILING, AND ASSIGNMENT OF RENTS (“Deed of Trust”) is made on this ____ day of ____ 20__ by **COMMUNITY SYSTEM SOLUTIONS**, a California nonprofit corporation, as trustor (“Borrower”), _____ (“Trustee”), for the benefit of **CITY OF CRESCENT CITY**, a California municipal corporation (“Lender”).

The Borrower, in consideration of the indebtedness recited and the trust created in this Deed of Trust, irrevocably grants and conveys to Trustee, in trust, with power of sale all of its right title and interest in and to that certain real property located in the City of Crescent City, County of Del Norte, State of California, legally described in “Exhibit A” attached hereto and made a part hereof.

Together with all of the improvements now or hereafter erected on said property, and all easements, rights, appurtenances, rents (subject, however, to the rights and authorities given in this Deed of Trust to the Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to said property, all of which including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property are referred to in this Deed of Trust as the “Property”;

To secure for the benefit of Lender the repayment of the indebtedness evidenced by the Borrower's promissory note dated _____ (the “Note”) in the principal sum of \$1,032,371.43 and the performance of the covenants and agreements of the Borrower contained in this Deed of Trust, the Note, and that certain Affordable Housing Covenant to

be entered into between Lender and Borrower and recorded in the Official Records of Del Norte County concurrently herewith.

Borrower covenants and agrees as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall pay when due the interest and the principal of the indebtedness evidenced by the Note from the sources and pursuant to the terms of the Note.
2. **COMPLIANCE WITH SENIOR DEED OF TRUST.** Borrower covenants and agrees to comply with the terms and conditions of any senior deeds of trust recorded against the Property (collectively, the "Senior Encumbrances").
3. **CHARGES AND LIENS.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust. Borrower shall promptly pay when due all installments or payments required by Lender and comply with all obligations of any deed of trust that is prior to this Deed of Trust.
4. **INSURANCE PROCEEDS.** Any insurance proceeds received as a result of damage to the Property from fire or other calamity shall be first expended as required by any Senior Encumbrances.
5. **PROTECTION OF LENDER'S SECURITY.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects the Lender's interest in the Property, including, but not limited to, default on or foreclosure of a prior deed of trust, eminent domain, insolvency, code enforcement, or arrangement or proceedings involving a bankrupt or decedent, then the Lender at Lender's option, upon notice to the Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect the Lender's interest including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs, but shall have no right of reimbursement.
6. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that the Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to the Lender's interest in the Property.
7. **CONDEMNATION.** Subject to the rights of the holder of a prior deed of trust, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be treated as if received from a sale of the Property. The proceeds shall be applied to the sums to be repaid in the amount and manner described in the Senior Encumbrances and the documents evidencing the indebtedness secured thereby. Any part of the proceeds remaining after these amounts have been paid shall be paid to the Borrower. In the event of a partial taking of the Property, unless Borrower and Lender agree in writing, the proceeds shall be treated as if received from a sale of that portion of the Property which is taken in the condemnation. The percentage value of the portion taken, as compared to the full value of the entire Property, shall be determined by dividing the condemnation proceeds by the fair market value of the entire Property just prior to the taking. This percentage value, once determined, shall be used in the following manner to allocate the condemnation proceeds:

- a. First, to the payment of any amount owing under the Senior Encumbrances and the documents evidencing the indebtedness secured thereby;
 - b. Second, to payment of the Note;
 - c. Third, to the Borrower.
8. **BORROWER NOT RELEASED.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by the Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or modification of amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.
9. **FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by the Lender in exercising any right or remedy hereunder, otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.
10. **REMEDIES CUMULATIVE.** All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.
11. **SUCCESSORS AND ASSIGNS BOUND; CAPTIONS.** The covenants and agreements contained in this Deed of Trust shall bind, and the rights hereunder shall, subject to Section 14 hereof, inure to the benefit of, the respective successors and assigns of Lender and Borrower. The captions and headings of the Sections of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

12. NOTICE. Except for any notice required under applicable law to be given in another manner, any notice to Borrower or Lender provided for in this Deed of Trust shall be given at the addresses provided in the Note and may be given by certified mail or reputable overnight delivery service.
13. GOVERNING LAW; SEVERABILITY. This Deed of Trust shall be governed by the laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note as incorporated herein conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and Note are declared to be severable.
14. TRANSFER OF THE PROPERTY. If all or any of the Property is sold or conveyed by Borrower, then the sums secured by this Deed of Trust shall be immediately due and payable. In the event of such an acceleration, Lender shall send Borrower written notice of the acceleration in accordance with Section 12 hereof. Such notice shall provide a period of not less than 60 days from the date the notice is mailed within which the Borrower may pay the sums due. If the Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Section 15 hereof.
15. OTHER ACCELERATION; REMEDIES Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust or the Note (including covenants to pay sums when due---but excluding the covenants to pay, when due, any sums secured by this Deed of Trust by acceleration upon sale or conveyance which is governed by Section 14 above and any sums payable upon the maturity date of the Note), Lender shall mail notice to Borrower as provided in Section 12 hereof specifying: (a) the breach; (b) a date by which such breach must be cured (which must be at least 30 days after the date of the notice); and (c) that failure to cure such breach on or before the date specified in the notice will result in acceleration of the sums secured by this Deed of Trust and sale of the Property. If the breach is not cured on or before the date specified in the notice, the Lender, at its option, may seek remedies under applicable law, including foreclosure. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing such remedies, including, but not limited to, reasonable attorneys' fees.

Subject to the terms and conditions provided herein, if Lender invokes the power of sale, the Lender shall also execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in a manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time

and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Lender or Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prime facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee and attorneys' fees and costs of title evidence; (b) to all sums secured by this Deed of Trust, as evidenced by the Note; and (c) the excess, if any, to the person or persons legally entitled thereto.

16. **BORROWER'S RIGHT TO REINSTATE.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce covenants of this Deed of Trust relating to sums due and payable by Borrower discontinued at any time prior to five days before the Property is scheduled for sale pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust and in enforcing Lender's and Trustee's remedies as provided in Section 15 hereof, including, but not limited to reasonable attorneys' fees; (c) Borrower takes such actions as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property, and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.
17. **ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** As additional security hereunder, subject to the rights of senior lien holders, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Section 14 or 15 hereof (as applicable), have the right to collect such rents as they become due. Upon acceleration under Section 14 or 15 hereof (as applicable) or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of, rent and manage the Property and to collect the rents of the Property. All rents collected by the Lender or by a judicially appointed receiver shall be applied first to payment of the cost of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and

reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account for those rents actually received and expenditures actually incurred.

18. RECONVEYANCE. Upon payment of all sums evidenced by the Note and secured by this Deed of Trust, Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.
19. SUBSTITUTE TRUSTEE. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to act as Trustee under this Deed of Trust. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee in this Deed of Trust and by applicable law.
20. REQUEST FOR NOTICES. Borrower requests that copies of the notice of default and notice of sale be sent to the Borrower's address and to Borrower's investor limited partners at the address set forth in Section 16 of the Note.
21. STATEMENT OF OBLIGATION. The Lender may collect a fee not to exceed \$15.00 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of the State of California.
22. NO DISCRIMINATION. The Trustor covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.
23. NONDISCRIMINATION CLAUSES. All deeds, leases or contracts made relative to the Property, the improvements thereon or any part thereof, shall contain or be subject to the nondiscrimination clauses set forth in California Health and Safety Code Section 33436.
24. HAZARDOUS SUBSTANCES.

- a. As used in this Section, the following terms shall have the following meanings:

"Environmental Laws" means all statutes, ordinances, orders, rules, regulations, plans, policies or decrees and the like now or hereafter in effect relating to (A) Hazardous Substance Activity or Hazardous Substances; (B) the generation, use, storage, transportation or disposal of Hazardous Substances, or solid waste; or (C) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health, safety or welfare, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CERCLA"); the Hazardous Material Transportation Act (49 U.S.C. Section 180 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Section 136 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); the Clean Air Act (42 U.S.C. Section 740 et seq.); the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.); the Occupational Safety and health Act (29 U.S.C. Section 651 et seq.); the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.); the Porter-Cologne Water Quality Control Act (California Water Code Section 13020 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health & Safety Code Section 25249.5 et seq.); the Hazardous Substance Account Act (California Health & Safety Code Section 25300 et seq.); the Hazardous Waste Control Act (California Health & Safety Code Section 25100 et seq.); The California Environmental Quality Act (California Public Resources Code Section 2100 et seq.); and the rules, regulations and ordinances of the City or County of San Francisco or any applicable federal, state and local agencies or bureaus, as amended from time to time.

"Foreclosure Transfer" means the transfer of title to all or any part of the Property or the Trust Estate at a foreclosure sale under the Deed of Trust, either pursuant to judicial decree or the power of sale contained in the Deed of Trust, or by deed in lieu of such foreclosure.

"Hazardous Substances" means (A) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "infectious waste," "biohazardous waste," "toxic substance," "pollutant," "toxic pollutant," "contaminant" as well as any other formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP toxicity" or "TCLP toxicity"; (B) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (C) "hazardous substance" as defined in Section 2782.6(d) of the California

Civil Code; (D) "waste" as defined in Section 13050(d) of the California Water Code; (E) asbestos in any form; (F) urea formaldehyde foam insulation; (G) polychlorinated biphenyls (PCBs); (H) radon; and (I) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment. Notwithstanding the foregoing, "Hazardous Substances" shall not include any chemical, compound, material, mixture or substance used in the normal course of constructing or operating an apartment complex, so long as such chemical, compound, material, mixture or substance is used in accordance with environmental laws

"Hazardous Substance Activity" means any actual, proposed, or threatened use, storage, holding, existence, location, release (including, without limitation, any spilling, leaking, leaching, pumping, pouring, emitting, emptying, dumping, disposing into the environment, and the continuing migration into or through soil, surface water, groundwater or any body of water or the air), discharge, deposit, placement, generation, processing, construction, treatment, abatement, removal, disposal, disposition, handling, or transportation of any Hazardous Substance from, under, in, into, or on the Property, including without limitation, the movement or migration of any Hazardous Substances from surrounding property, surface water, groundwater or any body of water, or the air under, in, into or onto the Property and any residual Hazardous Substances contamination in, on, or under the Property.

"Losses" means all charges, losses, liabilities, damages (whether actual, consequential, punitive, or otherwise denominated), costs, fees, demands, claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, causes of action, assessments, fines, penalties, costs, and expenses of any kind or character, foreseeable and unforeseeable, liquidated and contingent, proximate and remote, including, without limitation, the following: (A) the reasonable fees and expenses of outside legal counsel; (B) the reasonable fees and expenses of accountants, third-party consultants, and other independent contractors retained by an Beneficiary; (C) costs, including capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of site conditions or any clean-up, remedial, removal or restoration work required or performed by any federal, state or local governmental agency or political subdivision or performed by any non-governmental entity or person that is required by Environmental Laws or administrative ruling or directive because of the presence, suspected presence, release or suspected release of Hazardous Substances in violation of Environmental Laws in the air, soil, surface water or groundwater at the

Property; (D) any and all diminution in value of the Property, loss of use or damage to the Property, or loss of profits or loss of business opportunity; and (E) reasonable costs and expenses of enforcing this Section.

"Environmental Losses" means Losses rising out of or as a result of: (A) the occurrence of any Hazardous Substance Activity; (B) any violation of any applicable Environmental laws relating to the Property or to the ownership, use, occupancy or operation thereof; (C) any investigation, inquiry, order, hearing, action, or other proceeding by or before any governmental agency in connection with any Hazardous Substance Activity; or (D) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which directly or indirectly relates to, arises from or is based on any of the matters described in clauses (A), (B), or (C), or any allegation of any such matters.

- b. Trustor represents and warrants to Beneficiary that Trustor has conducted as appropriate inquiry and investigation, and, to the best of Trustor's knowledge, based on such inquiry and investigation, no portion of the Property is being used or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Substances, nor have any Hazardous Substances migrated onto or from the Property. Neither the Property nor Trustor is in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law. Trustor's intended use of the Property will not result in the disposal or release of any Hazardous Substances on, under, about or to the Property or the migration of any Hazardous Substances from the Property. The foregoing representations and warranties shall be continuing and shall be true and correct for the period from the date hereof to the release of this Deed of Trust (whether by payment of the indebtedness secured hereby or foreclosure or action in lieu thereof), and these representations and warranties shall survive such release.
- c. Trustor represents and warrants to Beneficiary that Trustor has complied with all recommendations by any engineers retained by Trustor and all requirements of any applicable department of environmental resources, environmental protection agency or similar governmental agency, and there are no recommendations by said engineers or requirements ordered by said agency or any other governmental body for environmental investigation or cleanup with respect to the Property.
- d. On and after the date hereof, Trustor shall not: (a) allow any Hazardous Substances to be installed, used, introduced, stored, treated, disposed of, generated, manufactured, discharged, dumped, transported or brought in, upon or over the Property in violation of applicable law; (b) allow any soil or ground water contamination or pollution with any Hazardous Substances on the Property in violation of applicable law; (c) allow any Hazardous Substances to migrate from the Property in violation of applicable law; (d) allow any Hazardous Substances to migrate onto the Property from any adjacent properties in violation of applicable law; or (e) allow or cause the Property to be in violation of, or to

trigger a duly initiated and prosecuted investigation of the Property by any governmental authority under applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules or timetables contained in any local, state and/or federal laws, regulations, codes, ordinances, plans, administrative or judicial orders, decrees, judgments, notices or demand letters issued, entered, promulgated or approved thereunder relating to the environment, land use, water and air quality and Hazardous Substances ("Environmental Requirements").

- e. If the presence of any Hazardous Substances on the Property caused or permitted by Trustor results in any contamination of the Property, Trustor shall promptly take all actions, at its sole expense, as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Substances to the Property; provided that Beneficiary's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Property.
- f. At any time after the occurrence and during the continuance of any default under this Section, Beneficiary shall have the following rights and remedies, in addition to any other rights and remedies Beneficiary has under this Deed of Trust:
 - i. As provided in California Code of Civil Procedure Section 564, Beneficiary or its employees, acting by themselves or through a court appointed receiver may do any of the following: (i) enter upon, possess, manage, operate, dispose of, and contract to dispose of the Property or any part thereof; (ii) take custody of all accounts; (iii) negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; (iv) take any action necessary to enforce compliance with environmental provisions, including spending Rent Payments to abate any environmental problem; (v) make, terminate, enforce or modify leases of part or all of the Property; (vi) contract for goods and services, hire agents, employees, and counsel, make repairs, alterations, and improvements to the Property necessary in Beneficiary's judgment to protect or enhance the security hereof; and/or (vii) take any and all other actions which may be necessary or desirable to comply with Trustor's obligations hereunder and under the Loan Documents. All sums realized by the receiver or Beneficiary under this subparagraph, less all costs and expenses incurred by either of them under this subparagraph, including attorneys' fees, and less such sums as Beneficiary or the receiver deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness, nor any other action taken by Beneficiary or the receiver under this subparagraph shall cure or waive any default or notice of default hereunder, or nullify the effect of any such notice of default. Beneficiary, or any employee or agent of Beneficiary, or a receiver

appointed by a court, may take any action or proceeding hereunder without regard to the adequacy of the security for the indebtedness secured hereunder, the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or the filing of a notice of default.

- ii. With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor or in connection with any such default, Beneficiary or its agents, acting by themselves or through a court-appointed receiver, may enter upon the Property or any part thereof and perform such acts and things as Beneficiary deems necessary or desirable to inspect, investigate, assess, and protect the security hereof, including of any of Beneficiary's other rights: (i) to obtain a court order to enforce Beneficiary's right to enter and inspect the Property under California Civil Code Section 2929.5 (in respect of which the decision of Beneficiary as to whether there exists a release or threatened release of hazardous substance, as defined therein, onto the Property shall be deemed reasonable and conclusive as between the parties hereto); and (ii) to have a receiver appointed under California Code of Civil Procedure Section 564 to enforce Beneficiary's right to enter and inspect the Property for hazardous substances as defined therein. All costs and expenses incurred by Beneficiary with respect to the audits, tests, inspections, and examinations which Beneficiary or its agents or employees may conduct, including the fees of engineers, laboratories, contractors, consultants, and attorneys, shall be paid by Trustor. All costs and expenses incurred by Trustee and Beneficiary pursuant to this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Note Rate, from the date they are incurred until said sums have been paid.
- iii. Beneficiary may seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters set forth above in this Section, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Code of Civil Procedure Section 736, whether commenced prior to foreclosure of the Property or after foreclosure of the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other out-of-pocket costs or expenses actually incurred by Beneficiary or advanced by Beneficiary (collectively, the "Environmental Costs") relating to the cleanup, remediation or other response action required by applicable law or which Beneficiary believes necessary to protect the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation, or other response action respecting the Property were made by Beneficiary

in good faith. All Environmental Costs incurred by Beneficiary under this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Note Rate, from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at any sale of the Property held hereunder, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

- iv. As provided in California Code of Civil Procedure Section 726.5, Beneficiary may waive its lien against the Property or any portion thereof, to the extent such property is found to be environmentally impaired as defined therein, and to exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including seeking an attachment order under California Code of Civil Procedure Section 483.010. Beneficiary and Trustor each represents and warrants for itself that it has no actual knowledge of any release of any Hazardous Substance (as defined in Section 726.5) on, to or under the Property. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure Section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) did not cause or contribute to, and was not in any way negligent in permitting, any release or threatened release of the Hazardous Substance.
- v. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein or in the Loan Documents, the Environmental Costs and all judgments and awards entered against Trustor pursuant to Section 24(f)(iv) above shall be exceptions to any nonrecourse or exculpatory provision of the Loan Documents, and Trustor shall be fully and personally liable for the Environmental Costs and such judgments and awards and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust, and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance, or any other transfer of the Property or this Deed of Trust.
- g. Trustor hereby agrees to indemnify, defend and hold harmless Beneficiary from and against any and all Environmental Losses.

[signature page to follow]

IN WITNESS THEREOF, Borrower has executed this Deed of Trust on the day and year first above written.

BORROWER:

COMMUNITY SYSTEM SOLUTIONS

By: _____

Michael Bahr, CEO

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 _____, before me, _____, a Notary Public in and for said State, personally appeared, _____, who proved to me 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(ies) 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.

[SEAL]

Signature of Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Crescent City, County of Del Norte, State of California,
described as follows:

Exhibit E: Affordable Housing Covenant

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Clerk

TAX STATEMENTS: NO CHANGE

APN 118-120-025-000

Exempt from Recording Fees Per Gov. Code Section 27383
Exempt from SB 2 Fees per Gov. Code § 27388.1(a)(2)(D)

AFFORDABLE HOUSING COVENANT

For valuable consideration, the receipt of which is hereby acknowledged, CITY OF CRESCENT CITY ("City"), a California municipal corporation, hereby agrees with COMMUNITY SYSTEM SOLUTIONS, a California nonprofit corporation ("Developer"), with respect to that certain parcel of real property (the "Site") legally described on **Exhibit A**, that the Site and the residential units to be constructed thereon (the "Housing Project") will be subject to the conditions, restrictions, reservations and rights of City specified below.

This Covenant is entered into in connection with a promissory note executed by Developer in favor of the City in the amount of \$1,032,371.43 (the "Note") in connection with the award of Permanent Local Housing Allocation ("PLHA") funds and Prohousing Incentive Program ("PIP") funds from the California Department of Housing and Community Development ("HCD") to the City and the loan of PLHA/PIP funds from the City to the Developer. The Note is secured by a deed of trust recorded against the Site.

1. **USE OF THE SITE.** The Developer hereby covenants and agrees, for itself, its lessees, successors and assigns, as follows:
 - A. **Purpose.** The City and Developer have executed this Agreement to assure the Site meets the affordability requirements. Developer must create 4 units reserved for moderate-income households (defined as those households earning up to 120% of the area median income adjusted for household size and set annually by HCD) and remains affordable for the longest feasible period, but for not for fewer than fifty-five (55) years from the date of certificate of occupancy. This Agreement is also required by HCD to restrict the rents and occupancy of the Housing Project in accordance with the requirements of the PLHA and PIP programs.

B. Rent and Income Restrictions. Four of the residential units to be developed on the Site (the "Affordable Units") shall be rented to moderate-income households and whose income does not exceed the limits set forth below ("Eligible Households"):

- (1) All of the Affordable Units constructed on the Site shall be available to moderate-income households whose income does not exceed 120% of the area median income (adjusted for household size). These Affordable Units shall be available at rents that do not exceed 30% of 120% of the AMI, as adjusted by household size, less a utility allowance.
- (2) The applicable income limits and Affordable Rents for Affordable Units, including utility allowances, or as determined by HUD with respect to any subsidy contract of HUD or the Housing Authority of the City on the Project. It shall be the obligation of Developer to annually obtain from City or any other applicable source the applicable income limits and Affordable Rents, as they may be adjusted from time to time.

C. Tenant Qualification for Rental Units.

- (1) Developer agrees to rent the Affordable Units solely to Income Eligible Households, at not more than the applicable Affordable Rent.
- (2) Developer must take reasonable steps to certify the income level of prospective occupants of an Affordable Unit, at the time of the initial rental, and annually thereafter. Developer may request an income certification from the proposed occupant of the Affordable Unit in one or more of the following methods:
 - (a) Obtain two (2) most recent paycheck stubs from all proposed occupants;
 - (b) Obtain a true copy of income tax returns from all proposed occupants for the most recent tax year in which a return was filed;
 - (c) Obtain an income verification certification from the employer of all proposed occupants;
 - (d) Obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if any proposed occupants receive assistance from such agencies; or
 - (e) Obtain an alternate form of income verification acceptable to the City Representative or under applicable HUD rules and requirements for any subsidy agreement for the Project.
- (3) Developer shall apply the same rental terms and conditions to tenants of Affordable Units as are applied to all other tenants, except as otherwise required to comply with this Agreement (i.e., rent levels, occupancy restrictions and income requirements) and/or government subsidy programs. Discrimination based on subsidies received by the prospective tenant is prohibited.

D. Changes in Tenant Income.

- (1) If the income of a tenant occupying an Affordable Unit decreases below the category for which the tenant originally qualified, the tenant shall continue to

- have the right to reside in the Affordable Unit, provided the tenant pays the rent and performs his other obligations to Developer.
- (2) If the income of a tenant occupying an Affordable Unit increases above the category for which the tenant originally qualified, the tenant may remain in the unit (the "Original Unit") at the tenant's new applicable Affordable Rent, as long as the next vacant unit is re-designated for the income category previously applicable to the Original Unit.
 - (3) Units may be re-designated per Section 1.D(2) of this Agreement by entering into and recording an amendment to this Agreement.
 - (4) So long as the Developer complies with the procedures set forth in this Section 1.D, Developer shall not be in violation of this Agreement due to a tenant's income eventually exceeding the income limit for the Affordable Unit occupied by that tenant.
- E. Utilization of Affordable Rental Units. All Affordable Units required by this Agreement shall be leased or rented and fully utilized in accordance with this Agreement; no Affordable Unit shall be withdrawn from the market or otherwise held vacant.
- F. No Sublease. A tenant occupying an Affordable Unit may not sublet the unit without the written permission of both Developer and City, which may be withheld in its sole and absolute discretion. The City shall not grant permission to lease, rent, or sublet the unit if it finds that the prospective tenant or occupant is not an Income Eligible Household. Any individual who subleases an Affordable Unit in violation of the provisions of this Agreement shall be required to forfeit to City all monetary amounts so obtained.
- G. Lease Agreement. The form of lease agreement between Developer or its agent and the tenant of any Affordable Unit shall include provisions providing for the implementation of Section 1.D of this Agreement. The City may request in writing to the Developer the current form of lease agreement utilized by the Developer for determination of compliance with the provisions under this Agreement. If the City has not approved compliance or responded within 10 business days of receipt of the form of lease agreement, the Developer shall submit a written reminder, and if the City does not confirm compliance or respond to such reminder within an additional 10 business days, then the form of lease agreement shall be deemed approved and confirmed. Notwithstanding anything to the contrary herein, any approval or deemed approval of the lease agreement by the City shall not relieve the Developer of any of its obligations hereunder.
- H. Maintenance of Units. Developer shall: (a) maintain and operate all units on the Property so as to provide decent, safe and sanitary housing consistent with federal housing quality standards; (b) make any required repairs or provide any required cleanup; and (c) provide the Affordable Units with the same levels of services and maintenance as are provided to the other dwelling units on the Property.
- I. Affordable Unit Compliance Inspection and Certification. The City may inspect the Affordable Units (subject to the rights of tenant) and any documents or records relating

thereto, at any reasonable time upon at least 48 hours prior written notice to determine Developer's compliance with this Agreement. Moreover, upon written request from the City, the Developer agrees to submit an annual report (the "Annual Report") certifying that all Affordable Units are being leased or rented in compliance with this Agreement no more than once per calendar year period during the term of this Agreement.

- J. Reporting Requirements. Annual reports and annual income recertifications must be submitted to the City. The reports, at a minimum, shall include:

- (1) The number of persons per unit
- (2) Tenant name
- (3) Initial occupancy date
- (4) Rent paid per month
- (5) Gross income per year
- (6) Percent of rent paid in relation to income.

Annual income recertifications shall also contain those documents used to certify eligibility. City may, from time to time during the term of this Covenant, request additional or different information and Developer shall promptly supply such information in the reports required hereunder. Developer shall maintain all necessary books and records, including property, personal and financial records, in accordance with requirements prescribed by City with respect to all matters covered by this Covenant. Developer, at such time and in such forms as City may require, shall furnish to City statements, records, reports, data and information pertaining to matters covered by this Covenant. Upon request for examination by City, Developer, at any time during normal business hours, shall make available all of its records with respect to all matters covered by this Covenant. Developer shall permit City to audit, examine and make excerpts or transcripts from these records.

2. NO TRANSFER. The Developer shall not sell, transfer, convey, encumber, assign or lease the whole or any part of the Site without the prior approval of the City and HCD, which shall not be unreasonably withheld. Developer shall request approval by written notice at least ninety (90) days prior to any proposed transfer. This prohibition shall not be deemed to (i) prevent the granting of easements or permits to facilitate the development of the Site, (ii) prohibit or restrict the rental or leasing of units when the construction of the Housing Project is completed, or (iii) prohibit or restrict the grant and exercise of an option and/or right of first refusal to purchase the Site given by Developer to a general partner of Developer in accordance with the Developer's Partnership Agreement on or around the expiration of the tax credit compliance period which shall not require the prior written approval of Developer, but Developer shall give notice of such transfer to City.
3. MANAGEMENT. During the term of this Covenant, Developer shall promptly notify the City in the event there is any change in the property management company managing the Housing Project. The property management agreement shall name the City as a third-party beneficiary permitting the City the right to enforce the Agreement. Developer shall submit a

copy of such agreement to the City, provided the City shall not have the right to approve or disapprove such agreement except to ensure compliance of such agreement with the provisions of this paragraph.

4. NO DISCRIMINATION. The Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Site.
5. NONDISCRIMINATION AND NONSEGREGATION CLAUSES. All deeds, leases or contracts made relative to the Site, the improvements thereon or any part thereof, shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

All deeds, leases or contracts made relative to the Site, the improvements thereon or any part thereof shall contain or be subject to substantially the following nondiscrimination clauses:

- (1) **In deeds:** (a) "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the grantee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."
- (b) Notwithstanding paragraph (a), with respect to familial status, paragraph (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 1360 of the Civil Code and

subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (a).

- (2) **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

(a) "That there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein leased."

(b) Notwithstanding paragraph (a), with respect to familial status, paragraph (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (a).

- (3) **In contracts:** "There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises."

6. NO IMPAIRMENT OF LIEN. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument; provided, however, that any successor of Developer to the Site shall be bound by

such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

7. DURATION. The covenants contained in Section 1 of this Covenant shall be deemed to run with the land and shall remain in effect for not less than fifty-five (55) years following the date the certificate of occupancy is issued for the Housing Project. The covenants against discrimination contained in Sections 4 and 5 of this Covenant shall be deemed to run with the land and shall remain in effect in perpetuity.
8. SUCCESSORS AND ASSIGNS. The covenants contained in this Covenant shall be binding for the benefit of the City and its respective successors and assigns, third party beneficiaries, and any successor in interest to the Site or any part thereof, and such covenants shall run in favor of the City and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the City is or remains an Developer of any land or interest therein to which such covenants relate. The City, and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Covenant shall be for the benefit of and shall be enforceable only by the City, and its respective successors and assigns, third party beneficiaries, and such aforementioned parties.
9. NOTICES. Any notices or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below:

To City:

City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Manager

To Developer:

Community System Solutions
7806 Juarez Way
Fair Oaks, CA 95628
Attn: Michael Bahr, CEO

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

10. GOVERNING LAW. The laws of the State of California shall govern this Agreement. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Del Norte, State of California or in Federal District Court in the Northern District of California.
11. DEFAULT. Failure or delay by either party to perform any term or provision of this Agreement, which is not cured within thirty (30) days after receipt of notice from the other party, constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with due diligence. The injured party shall give written notice of default to the party in default specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not initiate proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.
12. REMEDIES. Upon a violation by Developer of its obligations and covenants in this Agreement, after providing the requisite notice and cure period as set forth in Section 11 hereof, City may institute any appropriate legal actions or proceedings necessary and seek any remedies available at law or in equity to ensure compliance with this Agreement, including but not limited to actions for specific performance, injunctive relief or damages. Any provision hereunder providing for a specific remedy shall not be deemed a waiver of any other right or remedy available to the City.
13. ATTORNEY'S FEES. In any action brought to declare the rights granted herein or to enforce or to interpret any of the terms of this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees in an amount determined by the court.
14. COSTS AND EXPENSES. The Developer shall pay all costs and expenses incurred to comply with its obligations arising from this Agreement and incurred by the City or any of its departments and arising from this Agreement, including the review of any requests for approvals made by the Developer.
15. NON-WAIVER. Failure to exercise any right City may have or be entitled to, in the event of default hereunder shall not constitute a waiver of such right or any other right in the event of a subsequent default.
16. FURTHER ASSURANCES AND RECORDATION. Developer shall execute any further documents consistent with the terms of this Agreement, including documents in recordable form and do such further acts as may be necessary, desirable or proper as City shall from

time to time finds necessary or appropriate to effectuate its purpose in entering into this Agreement.

17. ENTIRE AGREEMENT. The text herein and attachments, constitutes the entire agreement between the parties with respect to the matter described herein. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement, statement or promise not contained in this Agreement shall not be valid or binding.
18. AMENDMENT OF THIS AGREEMENT. This Agreement may be amended from time to time in whole or in part by mutual consent of the original parties or their successors in interest, in accordance with this Agreement, the Crescent City Municipal Code and California law.
19. TERM OF AGREEMENT. The covenants and restrictions contained in the Agreement shall remain in effect for fifty-five (55) years from the date of Certificate of Occupancy issuance for the Housing Project, including all of the Affordable Units.
20. SEVERABILITY. If any article, section, subsection, term or provision of this Agreement, or the application thereof to any party or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of the article, section, subsection, term or provision of this Agreement, or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining article, section, subsection, term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the City and Developer have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this ____day of _____ 20____.

CITY:

CITY OF CRESCENT CITY, a municipal corporation of the State of California

By:_____

Eric Wier, City Manager

Approved as to Form:

By:_____

Martha D. Rice, City Attorney

DEVELOPER:

COMMUNITY SYSTEM SOLUTIONS

By: _____

Michael Bahr, CEO

STATE OF CALIFORNIA }
COUNTY OF DEL NORTE }

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.

On _____ 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 signatures(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.

[seal]

Signature

STATE OF CALIFORNIA }
COUNTY OF DEL NORTE }

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.

On _____ 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 signatures(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.

[seal]

Signature

EXHIBIT A

Legal Description of the Site

Real property in the City of Crescent City, County of Del Norte, State of California,
described as follows:

AMENDMENT NO. 1

PLHA / PIP LOAN AGREEMENT BY AND BETWEEN THE CITY OF CRESCENT CITY AND COMMUNITY SYSTEM SOLUTIONS

This Amendment No. 1 to the PLHA / PIP Loan Agreement by and between the City of Crescent City ("CITY") and Community System Solutions ("CSS") executed December 2, 2025 ("Amendment") is entered into for the purpose of amending the Project Description.

WHEREAS, CITY and CSS entered into an agreement whereby CITY agreed to loan CSS State Permanent Local Housing Allocation (PLHA) and Prohousing Incentive Program (PIP) grant funds for the development of an affordable housing project following a competitive call for proposals; and

WHEREAS, the PLHA / PIP Loan Agreement included a general project description and requires that any changes to the general description be approved by CITY; and

WHEREAS, CSS has refined its development plan and now proposed to increase the number of housing units and change some of the unit sizes; and

WHEREAS, the PLHA / PIP Loan Agreement states that CITY shall not unreasonably withhold its approval of any changes to the project description.

NOW, THEREFORE, the parties agree as follows:

1.0 Amendment to Project Description. The parties hereto agree to amend the Project Description in the Agreement as follows (~~strikethrough~~ indicates a deletion and **bold underline** indicates an addition):

4.1 Project Description. DEVELOPER warrants and represents that it intends to build a mixed use, infill housing development at 964 Third Street, Crescent City, California (the "Project"), which will create ~~27~~ **36** residential units and street-level retail and office space. ~~Twenty-seven~~ **All 36** of these apartments will be affordable units for low-to moderate-income households. The affordable unit mix includes **studio, one-, and two- and three-bedroom** apartments affordable to households earning 50-120% AMI. Apartments will feature ~~balconies~~, energy-efficient appliances, and durable materials designed for long-term affordability and comfort. The Project aims to revitalize one parcel consisting of .51 acres [APN 118-120-025-000] within the C- 1 zoning district. Any changes to the project as described in this project description must be approved by the CITY. Such approval shall not be unreasonably withheld.

2.0 Amendment to Conditions of Reimbursement. The parties hereto agree to amend the Conditions of Disbursement for PIP Funds in the Agreement as follows (~~strikethrough~~ indicates a deletion and **bold underline** indicates an addition):

3.2 Conditions of Disbursement. Loan disbursements will be made as follows:

...

3.1.2 PIP Funds. DEVELOPER must submit a written disbursement request identifying the amount, purpose and proof of payment for eligible predevelopment costs to CITY for reimbursement on or before ~~February 27, 2026~~**March 25, 2026**. CITY may accept a written disbursement request after this date but cannot guarantee that it will have time to process and timely submit to HCD before the deadline. CITY will ~~then~~ submit the reimbursement request to HCD. Upon receipt of payment from HCD (6-8 weeks), CITY will issue the reimbursement payment to DEVELOPER.

3.0 Amendment to Affordability Warranty. The parties hereto agree to amend the Project Description in the Agreement as follows (~~strike through~~ indicates a deletion and **bold underline** indicates an addition):

4.3 Affordability. DEVELOPER warrants and represents that 4 of the ~~27~~ residential units will be offered at affordable rents to households earning up to 120% AMI for a period of 55 years.

4.0 Loan Documentation. Approval of this amendment to the project description also constitutes approval of any changes in the loan documentation (exhibits to the PLHA / PIP Loan Agreement) necessary to reflect and effectuate this approved change.

4.0 Other Terms and Conditions. All other terms and conditions of the PLHA / PIP Loan Agreement remain valid and enforceable and are unaffected by this Amendment No. 1.

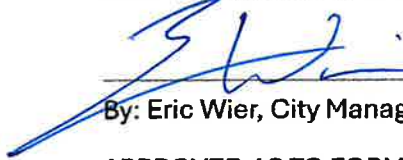
5.0 Electronic Signatures. This Amendment No. 1 may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with California's Uniform Electronic Transactions Act, Cal Civ. Code 1633.1, et seq.) or other transmission methods, and any counterpart so delivered shall be deemed to have been duly delivered and valid and effective for all purposes.

[signature page to follow]

PLHA / PIP LOAN AGREEMENT
AMENDMENT NO. 1
SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereby have caused this Amendment No. 1 to be executed this 17th day of February 2026.

CITY OF CRESCENT CITY


By: Eric Wier, City Manager

APPROVED AS TO FORM:


Martha D. Rice, City Attorney

COMMUNITY SYSTEM SOLUTIONS


By: Michael Bahr, CEO

CRESCENT CITY PLHA / PIP PROMISSORY NOTE

\$1,032,371.43

Date: 3/2/26

FOR VALUE RECEIVED, COMMUNITY SYSTEM SOLUTIONS, a California nonprofit corporation (the "Maker"), having an address of 7806 Juarez Way, Fair Oaks, CA 95628, promises to pay CITY OF CRESCENT CITY ("Holder"), the principal sum not to exceed One Million Thirty-Two Thousand Three Hundred Seventy-One Dollars and Forty-Three Cents (\$1,032,371.43), together with simple interest as detailed herein, pursuant to the terms and conditions set forth below.

§ 1. FUNDS. This Promissory Note (the "Note") is made in connection with a Loan Agreement entered into by and between Holder and Maker utilizing two awards through the California Department of Housing and Community Development ("HCD"): (1) Permanent Local Housing Allocation ("PLHA") funds to Holder pursuant to that certain Standard Agreement No. 23-PLHA-18498 between HCD and Holder dated 09/19/2024 ("PLHA Standard Agreement"); (2) Prohousing Incentive Program ("PIP") funds to the Holder pursuant to that certain Standard Agreement No. 23-PIP-18478 between HCD and Holder dated 12/09/2024 ("PIP Standard Agreement"). Holder makes a loan of \$383,099.10 in PLHA funds and \$649,272.33 in PIP funds to Maker for the construction of affordable housing that will address the City's housing needs (the "Housing Project") on certain real property currently identified as 964 Third Street, Crescent City, California (the "Site").

§ 2. SECURITY. Payment of this Note is secured by a Deed of Trust and Assignment of Rents (the "Deed of Trust") from Maker to Holder to be recorded against the Site.

§ 3. PAYMENT. Payment on this Note is deferred for (10) years from June 1, 2026. If the Note is not forgiven by Holder in accordance with § 4 hereof, then simple interest shall begin to accrue at the rate of 3.0% per annum and periodic payments shall commence July 1st of that same year. Monthly payments of \$5,7251.51 per month for 240 months. All payments made hereunder shall be credited first to any accrued but unpaid interest, then to current interest due and owing and lastly to principal. Interest not paid current shall accrue and shall not be compounded. All principal and interest due and payable on June 1, 2046.

Maker may pay any portion of the principal balance at any time without notice and without prepayment penalties or fees.

Any payments due hereunder shall be made in lawful money of the United States to the City of Crescent City, 377 J Street, Crescent City, California 95531. The place of payment may be changed from time to time as Holder may from time to time designate in writing.

§ 4. FORGIVABLE. The Note will be determined to be forgivable if the following criteria are met:

- a. The loaned funds were spent on one or more PLHA/PIP Program eligible activities: land acquisition, demolition and site improvements, off-site improvements, architectural fees, engineering fees, permits and development fees, accounting fees, title and recording fees, taxes and assessment, insurance costs, environmental review (including require studies), financing costs (appraisal / market study, performance bond, construction loan interest, lender inspections, lender legal costs, borrower legal costs, soft debt / total construction period interest, bond issuance costs, construction-permanent loan costs, capitalized operation / transition reserve), site and building construction costs, lease-up costs, contingencies and developer fees.
- b. The loaned funds were spent on a Housing Project that created at least 4 affordable housing units for very low, low, or moderate-income households. The units must be certified for occupancy prior to June 1, 2030.
- c. The Maker is in compliance with this Promissory Note, the Deed of Trust and the Affordable Housing Covenant.

§ 5. DEFAULT. Notwithstanding anything to the contrary provided herein, in the event that the Housing Project is in material default under the terms of the Affordable Housing Covenant such that the affordability restrictions are no longer in effect, or if there shall have been an uncured event of default under this Note or the Deed of Trust securing this Note after the passage of applicable notice and cure periods, then the entire unpaid principal of this Note and accrued interest thereon shall be immediately due and payable.

§ 6. SITE MAINTENANCE. Maker hereby covenants and agrees that it shall maintain, or cause to be maintained, the Site in a manner consistent with the provisions set forth therefor in the Crescent City Municipal Code and shall keep the entire Site reasonably free from any accumulation of debris or waste materials prior to and after construction. If, at any time, Maker fails to maintain the Site, and has either failed to commence to cure such condition or to diligently prosecute to completion the condition or the condition is not corrected after expiration of thirty (30) days from the date of written notice from Holder to Maker, Holder may perform the necessary corrective maintenance, and Maker shall pay such costs as are reasonably incurred for such maintenance. Holder shall have the right to place a lien on the property should Maker not reimburse Holder for such costs within sixty (60) days following Holder's written demand to Maker for reimbursement of such costs.

Maker, on behalf of itself its heirs, successors and assigns, hereby grants to Holder and its officers, employees and agents, an irrevocable license to enter upon the Site to perform such maintenance during normal business hours after receipt of written notice from Holder as hereinabove described and Maker's failure to cure or remedy such failure within sixty (60) days of such notice. Any such entry shall be made only after reasonable notice to Maker, and Holder shall indemnify and hold Maker harmless from any claims or

liabilities pertaining to any such entry by Holder. Failure by Maker to maintain the Site in the condition provided in this Section may, in Holder's reasonable discretion, constitute a default under this Note and the related Deed of Trust.

The foregoing covenants shall remain in effect for the Site for a period of fifty-five (55) years from the date of the Certificate of Completion is issued, or until all amounts due Holder hereunder are paid in full, whichever is later.

§ 7. **DEFAULT.** The occurrence of any of the following shall constitute an event of default under this Note: (i) Maker fails to pay any amount due hereunder within fifteen (15) days of its due date; (ii) Any default by Maker under this Note, the Deed of Trust, the City Loan Agreement, the PLHA Standard Agreement, or the PIP Standard Agreement after the expiration of applicable notice and cure periods; (iii) Any default by Maker under any other document affecting the Housing Project or Site after the expiration of any applicable notice or cure periods provided therein; (iv) except for transfers that are permitted pursuant to Section 2 of that certain Affordable Housing Covenant between Maker and Holder to be entered into concurrently herewith, the sale, transfer or other conveyance of all or any part of the Site or Housing Project, or any interest in it, without Holder's prior written consent, which shall not be unreasonably withheld.

§ 8. **DEFAULT – IMMEDIATELY DUE & PAYABLE.** Upon the occurrence of any event of default, or at any time thereafter, at the option of Holder hereof and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

§ 9. **DEFAULT – PENALTY.** At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of the highest rate then allowed by law or two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

§ 10. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

§ 11. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the Standard Agreement or under any loan document referred to herein Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefore or to the protection of its rights under this Note, the Deed of Trust, the PLHA Standard Agreement, the PIP Standard Agreement or other loan document, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

§ 12. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto or the interest of the Holder under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site.

§ 13. Payment of this Note is secured solely by the Deed of Trust recorded against the Site and all improvements thereon, without recourse of any kind against Maker or its constituent entities or limited partners.

§ 14. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in this Note or at such other address as either party may designate in written notice. Copies of any notices given under this Note shall be sent as follows:

To Holder: City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Manager

To Maker: Community System Solutions
7806 Juarez Way
Fair Oaks, CA 95628
Attn: Michael Bahr, CEO

§ 15. This Note shall be binding upon Maker, its successors and assigns.

§ 16. This Note shall be construed in accordance with and be governed by the laws of the State of California.

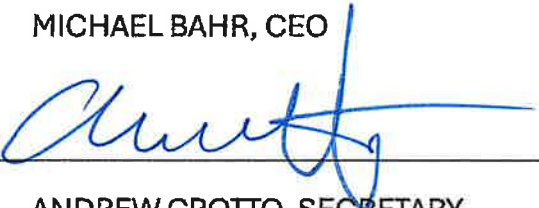
§ 17. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the Maker has executed this Note effective as of the date first above written.

COMMUNITY SYSTEM SOLUTIONS

By: 

MICHAEL BAHR, CEO

By: 

ANDREW CROTTO, SECRETARY

STATE OF CALIFORNIA }

COUNTY OF ~~DEL NORTE~~ }

SACRAMENTO

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.

On MARCH 2, 2026 before me, DARIN R. MORTENSEN, a Notary Public, personally appeared MICHAEL BAHR 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 signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

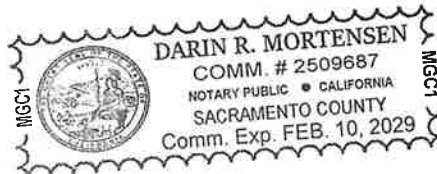
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[seal]



Signature



STATE OF CALIFORNIA }

COUNTY OF ~~DEL NORTE~~ }

SACRAMENTO ✓

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.

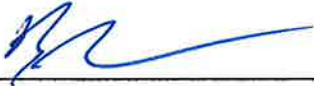
On MARCH 2, 2026 before me, DARIN R. MORTENSEN, a Notary Public,

personally appeared ANDREW CROTT 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 signatures(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.

[seal]



Signature



1506
H
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Clerk

TAX STATEMENTS: NO CHANGE

Filed and Recorded in Official
Records of County of Del Norte

Alissia Northrup
Clerk & Recorder

DOC # 20260750

Filed By: FIRST AMERICAN TITLE
03/18/2026 04:06 PM
Titles: 2 Pages: 15
Total Fees: \$0.00

APN 118-120-025-000

Exempt from Recording Fees Per Gov. Code Section 27383

Exempt from SB 2 Fees per Gov. Code § 27388.1(a)(2)(D)

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, FIXTURE FILING, AND ASSIGNMENT OF RENTS ("Deed of Trust") is made on this 2nd day of March 2026 by **COMMUNITY SYSTEM SOLUTIONS**, a California nonprofit corporation, as trustor ("Borrower"), whose address is 7806 Juarez Way, Fair Oaks, CA 95628, **FIRST AMERICAN TITLE CO.**, a California corporation ("Trustee"), for the benefit of **CITY OF CRESCENT CITY**, a California municipal corporation ("Lender").

The Borrower, in consideration of the indebtedness recited and the trust created in this Deed of Trust, irrevocably grants and conveys to Trustee, in trust, with power of sale all of its right title and interest in and to that certain real property located in the City of Crescent City, County of Del Norte, State of California, legally described in "Exhibit A" attached hereto and made a part hereof.

Together with all of the improvements now or hereafter erected on said property, and all easements, rights, appurtenances, rents (subject, however, to the rights and authorities given in this Deed of Trust to the Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to said property, all of which including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property are referred to in this Deed of Trust as the "Property";

To secure for the benefit of Lender the repayment of the indebtedness evidenced by the Borrower's promissory note dated March 2, 2026 (the "Note") in the principal sum of \$1,032,371.43 and the performance of the covenants and agreements of the Borrower contained in this Deed of Trust, the Note, and that certain Affordable Housing Covenant to be entered into between Lender and Borrower and recorded in the Official Records of Del Norte County concurrently herewith.

Borrower covenants and agrees as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall pay when due the interest and the principal of the indebtedness evidenced by the Note from the sources and pursuant to the terms of the Note.
2. **COMPLIANCE WITH SENIOR DEED OF TRUST.** Borrower covenants and agrees to comply with the terms and conditions of any senior deeds of trust recorded against the Property (collectively, the "Senior Encumbrances").
3. **CHARGES AND LIENS.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust. Borrower shall promptly pay when due all installments or payments required by Lender and comply with all obligations of any deed of trust that is prior to this Deed of Trust.
4. **INSURANCE PROCEEDS.** Any insurance proceeds received as a result of damage to the Property from fire or other calamity shall be first expended as required by any Senior Encumbrances.
5. **PROTECTION OF LENDER'S SECURITY.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects the Lender's interest in the Property, including, but not limited to, default on or foreclosure of a prior deed of trust, eminent domain, insolvency, code enforcement, or arrangement or proceedings involving a bankrupt or decedent, then the Lender at Lender's option, upon notice to the Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect the Lender's interest including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs, but shall have no right of reimbursement.
6. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that the Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to the Lender's interest in the Property.
7. **CONDEMNATION.** Subject to the rights of the holder of a prior deed of trust, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be treated as if received from a sale of the Property. The proceeds shall be applied to the sums to be repaid in the amount and manner described in the Senior Encumbrances and the documents evidencing the indebtedness secured thereby. Any part of the proceeds remaining after these amounts have been paid shall be paid to the Borrower. In the event of a partial taking of the Property, unless Borrower and

Lender agree in writing, the proceeds shall be treated as if received from a sale of that portion of the Property which is taken in the condemnation. The percentage value of the portion taken, as compared to the full value of the entire Property, shall be determined by dividing the condemnation proceeds by the fair market value of the entire Property just prior to the taking. This percentage value, once determined, shall be used in the following manner to allocate the condemnation proceeds:

- a. First, to the payment of any amount owing under the Senior Encumbrances and the documents evidencing the indebtedness secured thereby;
 - b. Second, to payment of the Note;
 - c. Third, to the Borrower.
8. **BORROWER NOT RELEASED.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by the Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or modification of amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.
9. **FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by the Lender in exercising any right or remedy hereunder, otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.
10. **REMEDIES CUMULATIVE.** All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.
11. **SUCCESSORS AND ASSIGNS BOUND; CAPTIONS.** The covenants and agreements contained in this Deed of Trust shall bind, and the rights hereunder shall, subject to Section 14 hereof, inure to the benefit of, the respective successors and assigns of Lender and Borrower. The captions and headings of the Sections of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.
12. **NOTICE.** Except for any notice required under applicable law to be given in another manner, any notice to Borrower or Lender provided for in this Deed of Trust shall be given at the addresses provided in the Note and may be given by certified mail or reputable overnight delivery service.
13. **GOVERNING LAW; SEVERABILITY.** This Deed of Trust shall be governed by the laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note as incorporated herein conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given

effect without the conflicting provision, and to this end the provisions of the Deed of Trust and Note are declared to be severable.

14. **TRANSFER OF THE PROPERTY.** If all or any of the Property is sold or conveyed by Borrower, then the sums secured by this Deed of Trust shall be immediately due and payable. In the event of such an acceleration, Lender shall send Borrower written notice of the acceleration in accordance with Section 12 hereof. Such notice shall provide a period of not less than 60 days from the date the notice is mailed within which the Borrower may pay the sums due. If the Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Section 15 hereof.
15. **OTHER ACCELERATION; REMEDIES** Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust or the Note (including covenants to pay sums when due---but excluding the covenants to pay, when due, any sums secured by this Deed of Trust by acceleration upon sale or conveyance which is governed by Section 14 above and any sums payable upon the maturity date of the Note), Lender shall mail notice to Borrower as provided in Section 12 hereof specifying: (a) the breach; (b) a date by which such breach must be cured (which must be at least 30 days after the date of the notice); and (c) that failure to cure such breach on or before the date specified in the notice will result in acceleration of the sums secured by this Deed of Trust and sale of the Property. If the breach is not cured on or before the date specified in the notice, the Lender, at its option, may seek remedies under applicable law, including foreclosure. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing such remedies, including, but not limited to, reasonable attorneys' fees.

Subject to the terms and conditions provided herein, if Lender invokes the power of sale, the Lender shall also execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in a manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Lender or Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prime facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to

all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee and attorneys' fees and costs of title evidence; (b) to all sums secured by this Deed of Trust, as evidenced by the Note; and (c) the excess, if any, to the person or persons legally entitled thereto.

16. **BORROWER'S RIGHT TO REINSTATE.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce covenants of this Deed of Trust relating to sums due and payable by Borrower discontinued at any time prior to five days before the Property is scheduled for sale pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust and in enforcing Lender's and Trustee's remedies as provided in Section 15 hereof, including, but not limited to reasonable attorneys' fees; (c) Borrower takes such actions as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property, and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.
17. **ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** As additional security hereunder, subject to the rights of senior lien holders, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Section 14 or 15 hereof (as applicable), have the right to collect such rents as they become due. Upon acceleration under Section 14 or 15 hereof (as applicable) or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of, rent and manage the Property and to collect the rents of the Property. All rents collected by the Lender or by a judicially appointed receiver shall be applied first to payment of the cost of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account for those rents actually received and expenditures actually incurred.
18. **RECONVEYANCE.** Upon payment of all sums evidenced by the Note and secured by this Deed of Trust, Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.
19. **SUBSTITUTE TRUSTEE.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to act as Trustee under this Deed of Trust.

Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee in this Deed of Trust and by applicable law.

20. **REQUEST FOR NOTICES.** Borrower requests that copies of the notice of default and notice of sale be sent to the Borrower's address and to Borrower's investor limited partners at the address set forth in Section 16 of the Note.
21. **STATEMENT OF OBLIGATION.** The Lender may collect a fee not to exceed \$15.00 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of the State of California.
22. **NO DISCRIMINATION.** The Trustor covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.
23. **NONDISCRIMINATION CLAUSES.** All deeds, leases or contracts made relative to the Property, the improvements thereon or any part thereof, shall contain or be subject to the nondiscrimination clauses set forth in California Health and Safety Code Section 33436.
24. **HAZARDOUS SUBSTANCES.**
 - a. As used in this Section, the following terms shall have the following meanings:
"Environmental Laws" means all statutes, ordinances, orders, rules, regulations, plans, policies or decrees and the like now or hereafter in effect relating to (A) Hazardous Substance Activity or Hazardous Substances; (B) the generation, use, storage, transportation or disposal of Hazardous Substances, or solid waste; or (C) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health, safety or welfare, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CERCLA"); the Hazardous Material Transportation Act (49 U.S.C. Section 180 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Section 136 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); the Clean Air Act (42 U.S.C. Section 740 et seq.); the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.); the Occupational Safety and health Act (29 U.S.C. Section 651 et seq.); the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.); the Porter-Cologne Water Quality Control Act (California Water Code Section 13020 et seq.); the

Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health & Safety Code Section 25249.5 et seq.); the Hazardous Substance Account Act (California Health & Safety Code Section 25300 et seq.); the Hazardous Waste Control Act (California Health & Safety Code Section 25100 et seq.); The California Environmental Quality Act (California Public Resources Code Section 2100 et seq.); and the rules, regulations and ordinances of the City or County of San Francisco or any applicable federal, state and local agencies or bureaus, as amended from time to time.

"Foreclosure Transfer" means the transfer of title to all or any part of the Property or the Trust Estate at a foreclosure sale under the Deed of Trust, either pursuant to judicial decree or the power of sale contained in the Deed of Trust, or by deed in lieu of such foreclosure.

"Hazardous Substances" means (A) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "infectious waste," "biohazardous waste," "toxic substance," "pollutant," "toxic pollutant," "contaminant" as well as any other formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP toxicity" or "TCLP toxicity"; (B) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (C) "hazardous substance" as defined in Section 2782.6(d) of the California Civil Code; (D) "waste" as defined in Section 13050(d) of the California Water Code; (E) asbestos in any form; (F) urea formaldehyde foam insulation; (G) polychlorinated biphenyls (PCBs); (H) radon; and (I) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment. Notwithstanding the foregoing, "Hazardous Substances" shall not include any chemical, compound, material, mixture or substance used in the normal course of constructing or operating an apartment complex, so long as such chemical, compound, material, mixture or substance is used in accordance with environmental laws

"Hazardous Substance Activity" means any actual, proposed, or threatened use, storage, holding, existence, location, release (including, without limitation, any spilling, leaking, leaching, pumping, pouring, emitting,

emptying, dumping, disposing into the environment, and the continuing migration into or through soil, surface water, groundwater or any body of water or the air), discharge, deposit, placement, generation, processing, construction, treatment, abatement, removal, disposal, disposition, handling, or transportation of any Hazardous Substance from, under, in, into, or on the Property, including without limitation, the movement or migration of any Hazardous Substances from surrounding property, surface water, groundwater or any body of water, or the air under, in, into or onto the Property and any residual Hazardous Substances contamination in, on, or under the Property.

"Losses" means all charges, losses, liabilities, damages (whether actual, consequential, punitive, or otherwise denominated), costs, fees, demands, claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, causes of action, assessments, fines, penalties, costs, and expenses of any kind or character, foreseeable and unforeseeable, liquidated and contingent, proximate and remote, including, without limitation, the following: (A) the reasonable fees and expenses of outside legal counsel; (B) the reasonable fees and expenses of accountants, third-party consultants, and other independent contractors retained by an Beneficiary; (C) costs, including capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of site conditions or any clean-up, remedial, removal or restoration work required or performed by any federal, state or local governmental agency or political subdivision or performed by any non-governmental entity or person that is required by Environmental Laws or administrative ruling or directive because of the presence, suspected presence, release or suspected release of Hazardous Substances in violation of Environmental Laws in the air, soil, surface water or groundwater at the Property; (D) any and all diminution in value of the Property, loss of use or damage to the Property, or loss of profits or loss of business opportunity; and (E) reasonable costs and expenses of enforcing this Section.

"Environmental Losses" means Losses rising out of or as a result of: (A) the occurrence of any Hazardous Substance Activity; (B) any violation of any applicable Environmental laws relating to the Property or to the ownership, use, occupancy or operation thereof; (C) any investigation, inquiry, order, hearing, action, or other proceeding by or before any governmental agency in connection with any Hazardous Substance Activity; or (D) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which directly or indirectly relates to, arises from or is based on any of the matters described in clauses (A), (B), or (C), or any allegation of any such matters.

- b. Trustor represents and warrants to Beneficiary that Trustor has conducted as appropriate inquiry and investigation, and, to the best of Trustor's knowledge, based on such inquiry and investigation, no portion of the Property is being used

or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Substances, nor have any Hazardous Substances migrated onto or from the Property. Neither the Property nor Trustor is in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law. Trustor's intended use of the Property will not result in the disposal or release of any Hazardous Substances on, under, about or to the Property or the migration of any Hazardous Substances from the Property. The foregoing representations and warranties shall be continuing and shall be true and correct for the period from the date hereof to the release of this Deed of Trust (whether by payment of the indebtedness secured hereby or foreclosure or action in lieu thereof), and these representations and warranties shall survive such release.

- c. Trustor represents and warrants to Beneficiary that Trustor has complied with all recommendations by any engineers retained by Trustor and all requirements of any applicable department of environmental resources, environmental protection agency or similar governmental agency, and there are no recommendations by said engineers or requirements ordered by said agency or any other governmental body for environmental investigation or cleanup with respect to the Property.
- d. On and after the date hereof, Trustor shall not: (a) allow any Hazardous Substances to be installed, used, introduced, stored, treated, disposed of, generated, manufactured, discharged, dumped, transported or brought in, upon or over the Property in violation of applicable law; (b) allow any soil or ground water contamination or pollution with any Hazardous Substances on the Property in violation of applicable law; (c) allow any Hazardous Substances to migrate from the Property in violation of applicable law; (d) allow any Hazardous Substances to migrate onto the Property from any adjacent properties in violation of applicable law; or (e) allow or cause the Property to be in violation of, or to trigger a duly initiated and prosecuted investigation of the Property by any governmental authority under applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules or timetables contained in any local, state and/or federal laws, regulations, codes, ordinances, plans, administrative or judicial orders, decrees, judgments, notices or demand letters issued, entered, promulgated or approved thereunder relating to the environment, land use, water and air quality and Hazardous Substances ("Environmental Requirements").
- e. If the presence of any Hazardous Substances on the Property caused or permitted by Trustor results in any contamination of the Property, Trustor shall promptly take all actions, at its sole expense, as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Substances to the Property; provided that Beneficiary's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Property.

- f. At any time after the occurrence and during the continuance of any default under this Section, Beneficiary shall have the following rights and remedies, in addition to any other rights and remedies Beneficiary has under this Deed of Trust:
- i. As provided in California Code of Civil Procedure Section 564, Beneficiary or its employees, acting by themselves or through a court appointed receiver may do any of the following: (i) enter upon, possess, manage, operate, dispose of, and contract to dispose of the Property or any part thereof; (ii) take custody of all accounts; (iii) negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; (iv) take any action necessary to enforce compliance with environmental provisions, including spending Rent Payments to abate any environmental problem; (v) make, terminate, enforce or modify leases of part or all of the Property; (vi) contract for goods and services, hire agents, employees, and counsel, make repairs, alterations, and improvements to the Property necessary in Beneficiary's judgment to protect or enhance the security hereof; and/or (vii) take any and all other actions which may be necessary or desirable to comply with Trustor's obligations hereunder and under the Loan Documents. All sums realized by the receiver or Beneficiary under this subparagraph, less all costs and expenses incurred by either of them under this subparagraph, including attorneys' fees, and less such sums as Beneficiary or the receiver deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness, nor any other action taken by Beneficiary or the receiver under this subparagraph shall cure or waive any default or notice of default hereunder, or nullify the effect of any such notice of default. Beneficiary, or any employee or agent of Beneficiary, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to the adequacy of the security for the indebtedness secured hereunder, the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or the filing of a notice of default.
 - ii. With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor or in connection with any such default, Beneficiary or its agents, acting by themselves or through a court-appointed receiver, may enter upon the Property or any part thereof and perform such acts and things as Beneficiary deems necessary or desirable to inspect, investigate, assess, and protect the security hereof, including of any of Beneficiary's other rights: (i) to obtain a court order to enforce Beneficiary's right to enter and inspect the Property under California Civil Code Section 2929.5 (in respect of which the decision of Beneficiary as to whether there exists a release or threatened release of hazardous substance, as defined therein, onto the Property shall be deemed

reasonable and conclusive as between the parties hereto); and (ii) to have a receiver appointed under California Code of Civil Procedure Section 564 to enforce Beneficiary's right to enter and inspect the Property for hazardous substances as defined therein. All costs and expenses incurred by Beneficiary with respect to the audits, tests, inspections, and examinations which Beneficiary or its agents or employees may conduct, including the fees of engineers, laboratories, contractors, consultants, and attorneys, shall be paid by Trustor. All costs and expenses incurred by Trustee and Beneficiary pursuant to this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Note Rate, from the date they are incurred until said sums have been paid.

- iii. Beneficiary may seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters set forth above in this Section, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Code of Civil Procedure Section 736, whether commenced prior to foreclosure of the Property or after foreclosure of the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other out-of-pocket costs or expenses actually incurred by Beneficiary or advanced by Beneficiary (collectively, the "Environmental Costs") relating to the cleanup, remediation or other response action required by applicable law or which Beneficiary believes necessary to protect the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation, or other response action respecting the Property were made by Beneficiary in good faith. All Environmental Costs incurred by Beneficiary under this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Note Rate, from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at any sale of the Property held hereunder, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.
- iv. As provided in California Code of Civil Procedure Section 726.5, Beneficiary may waive its lien against the Property or any portion thereof, to the extent such property is found to be environmentally impaired as defined therein, and to exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including seeking an attachment order under California Code of Civil Procedure Section 483.010. Beneficiary and Trustor each represents and warrants

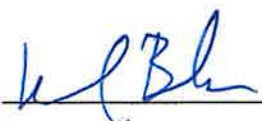
for itself that it has no actual knowledge of any release of any Hazardous Substance (as defined in Section 726.5) on, to or under the Property. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure Section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) did not cause or contribute to, and was not in any way negligent in permitting, any release or threatened release of the Hazardous Substance.

- v. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein or in the Loan Documents, the Environmental Costs and all judgments and awards entered against Trustor pursuant to Section 24(f)(iv) above shall be exceptions to any nonrecourse or exculpatory provision of the Loan Documents, and Trustor shall be fully and personally liable for the Environmental Costs and such judgments and awards and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust, and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance, or any other transfer of the Property or this Deed of Trust.
- g. Trustor hereby agrees to indemnify, defend and hold harmless Beneficiary from and against any and all Environmental Losses.

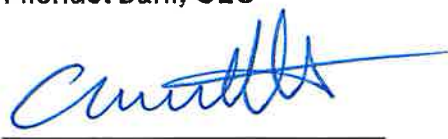
IN WITNESS THEREOF, Borrower has executed this Deed of Trust on the day and year first above written.

BORROWER:

COMMUNITY SYSTEM SOLUTIONS

By: 

Michael Bahr, CEO

By: 

Andrew Crotto, Secretary

STATE OF CALIFORNIA }
COUNTY OF DEL NORTE }

SACRAMENTO *B*

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.

On MARCH 1, 2026 before me, DARIN R. MORTENSEN, a Notary Public, personally appeared MICHAEL BAHR and ANDREW CROTTO 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 signatures(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.

[seal]

Signature



EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Crescent City, County of Del Norte, State of California,
described as follows:

Exhibit "A"

Legal Description

Real property in the City of Crescent City, County of Del Norte, State of California, described as follows:

Beginning at the most Easterly corner of Block 22 of the City of Crescent City, according to the official city surveys and monuments; And running thence Northerly along J street, 240 feet to fourth street; thence Westerly along fourth street, 120 feet; thence at a right angle Southerly, 80 feet; thence at a right angle Easterly, 40 feet; thence at a right angle Southerly, 160 feet to third street; And thence Easterly along third street, 80 feet to the Point of Beginning.

APN: 118-120-025-000

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Clerk

1406
1406
-0
Filed and Recorded in Official
Records of County of Del Norte

Alissia Northrup
Clerk & Recorder

DOC # 20260751

Filed By: FIRST AMERICAN TITLE
03/18/2026 04:06 PM
Titles: 1 Pages: 14
Total Fees: \$0.00

TAX STATEMENTS: NO CHANGE

APN 118-120-025-000

Exempt from Recording Fees Per Gov. Code Section 27383

Exempt from SB 2 Fees per Gov. Code § 27388.1(a)(2)(D)

AFFORDABLE HOUSING COVENANT

For valuable consideration, the receipt of which is hereby acknowledged, CITY OF CRESCENT CITY ("City"), a California municipal corporation, hereby agrees with COMMUNITY SYSTEM SOLUTIONS, a California nonprofit corporation ("Developer"), with respect to that certain parcel of real property (the "Site") legally described on **Exhibit A**, that the Site and the residential units to be constructed thereon (the "Housing Project") will be subject to the conditions, restrictions, reservations and rights of City specified below.

This Covenant is entered into in connection with a promissory note executed by Developer in favor of the City in the amount of \$1,032,371.43 (the "Note") in connection with the award of Permanent Local Housing Allocation ("PLHA") funds and Prohousing Incentive Program ("PIP") funds from the California Department of Housing and Community Development ("HCD") to the City and the loan of PLHA/PIP funds from the City to the Developer. The Note is secured by a deed of trust recorded against the Site.

1. USE OF THE SITE. The Developer hereby covenants and agrees, for itself, its lessees, successors and assigns, as follows:

- A. Purpose. The City and Developer have executed this Agreement to assure the Site meets the affordability requirements. Developer must create 4 units for low- to moderate-income households (defined as those households earning up to 120% of the area median income adjusted for household size and set annually by HCD) and remains affordable for the longest feasible period, but for not for fewer than fifty-five (55) years from the date of certificate of occupancy. This Agreement is also required by HCD to restrict the rents and occupancy of the Housing Project in accordance with the requirements of the PLHA and PIP programs.

- B. Rent and Income Restrictions. Four (4) of the residential units to be developed on the Site (the "Affordable Units") shall be rented to low or moderate- income households and whose income does not exceed the limits set forth below ("Eligible Households"):

- (1) The Affordable Units constructed on the Site shall be available to Eligible Households whose income does not exceed 120% of the area median income. These Affordable Units shall be available at rents that do not exceed

30% of 120% of the AMI, as adjusted by household size, less a utility allowance.

- (2) The applicable income limits and Affordable Rents for Affordable Units, including Utility Allowances, or as determined by HUD with respect to any subsidy contract of HUD or the Housing Authority of the City on the Project. It shall be the obligation of Developer to annually obtain from City or any other applicable source the applicable income limits and Affordable Rents, as they may be adjusted from time to time.

C. Tenant Qualification for Rental Units.

- (1) Developer agrees to rent the Affordable Units solely to Income Eligible Households, at not more than the applicable Affordable Rent.
- (2) Developer must take reasonable steps to certify the income level of prospective occupants of an Affordable Unit, at the time of the initial rental, and annually thereafter. Developer may request an income certification from the proposed occupant of the Affordable Unit in one or more of the following methods:
 - (a) Obtain two (2) most recent paycheck stubs from all proposed occupants;
 - (b) Obtain a true copy of income tax returns from all proposed occupants for the most recent tax year in which a return was filed;
 - (c) Obtain an income verification certification from the employer of all proposed occupants;
 - (d) Obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if any proposed occupants receive assistance from such agencies; or
 - (e) Obtain an alternate form of income verification acceptable to the City Representative or under applicable HUD rules and requirements for any subsidy agreement for the Project.
- (3) Developer shall apply the same rental terms and conditions to tenants of Affordable Units as are applied to all other tenants, except as otherwise required to comply with this Agreement (i.e., rent levels, occupancy restrictions and income requirements) and/or government subsidy programs. Discrimination based on subsidies received by the prospective tenant is prohibited.

D. Changes in Tenant Income.

- (1) If the income of a tenant occupying an Affordable Unit decreases below the category for which the tenant originally qualified, the tenant shall continue to have the right to reside in the Affordable Unit, provided the tenant pays the rent and performs his other obligations to Developer.

- (2) If the income of a tenant occupying an Affordable Unit increases above the category for which the tenant originally qualified, the tenant may remain in the unit (the "Original Unit") at the tenant's new applicable Affordable Rent, as long as the next vacant unit is re-designated for the income category previously applicable to the Original Unit.
 - (3) Units may be re-designated per Section 1.D(2) of this Agreement by entering into and recording an amendment to this Agreement.
 - (4) So long as the Developer complies with the procedures set forth in this Section 1.D, Developer shall not be in violation of this Agreement due to a tenant's income eventually exceeding the income limit for the Affordable Unit occupied by that tenant.
- E. Utilization of Affordable Rental Units. All Affordable Units required by this Agreement shall be leased or rented and fully utilized in accordance with this Agreement; no Affordable Unit shall be withdrawn from the market or otherwise held vacant.
- F. No Sublease. A tenant occupying an Affordable Unit may not sublet the unit without the written permission of both Developer and City, which may be withheld in its sole and absolute discretion. The City shall not grant permission to lease, rent, or sublet the unit if it finds that the prospective tenant or occupant is not an Income Eligible Household. Any individual who subleases an Affordable Unit in violation of the provisions of this Agreement shall be required to forfeit to City all monetary amounts so obtained.
- G. Lease Agreement. The form of lease agreement between Developer or its agent and the tenant of any Affordable Unit shall include provisions providing for the implementation of Section 1.D of this Agreement. The City may request in writing to the Developer the current form of lease agreement utilized by the Developer for determination of compliance with the provisions under this Agreement. If the City has not approved compliance or responded within 10 business days of receipt of the form of lease agreement, the Developer shall submit a written reminder, and if the City does not confirm compliance or respond to such reminder within an additional 10 business days, then the form of lease agreement shall be deemed approved and confirmed. Notwithstanding anything to the contrary herein, any approval or deemed approval of the lease agreement by the City shall not relieve the Developer of any of its obligations hereunder.
- H. Maintenance of Units. Developer shall: (a) maintain and operate all units on the Property so as to provide decent, safe and sanitary housing consistent with federal housing quality standards; (b) make any required repairs or provide any required cleanup; and (c) provide the Affordable Units with the same levels of services and maintenance as are provided to the other dwelling units on the Property.
- I. Affordable Unit Compliance Inspection and Certification. The City may inspect the Affordable Units (subject to the rights of tenant) and any documents or records relating thereto, at any reasonable time upon at least 48 hours prior written notice to determine Developer's compliance with this Agreement. Moreover, upon written request from the City, the Developer agrees to submit an annual report (the "Annual Report") certifying that all Affordable Units are being leased or rented in compliance with this Agreement no more than once per calendar year period during the term of this Agreement.

- J. Reporting Requirements. Annual reports and annual income recertifications must be submitted to the City. The reports, at a minimum, shall include:

- (1) The number of persons per unit
- (2) Tenant name
- (3) Initial occupancy date
- (4) Rent paid per month
- (5) Gross income per year
- (6) Percent of rent paid in relation to income.

Annual income recertifications shall also contain those documents used to certify eligibility. City may, from time to time during the term of this Covenant, request additional or different information and Developer shall promptly supply such information in the reports required hereunder. Developer shall maintain all necessary books and records, including property, personal and financial records, in accordance with requirements prescribed by City with respect to all matters covered by this Covenant. Developer, at such time and in such forms as City may require, shall furnish to City statements, records, reports, data and information pertaining to matters covered by this Covenant. Upon request for examination by City, Developer, at any time during normal business hours, shall make available all of its records with respect to all matters covered by this Covenant. Developer shall permit City to audit, examine and make excerpts or transcripts from these records.

2. NO TRANSFER. The Developer shall not sell, transfer, convey, encumber, assign or lease the whole or any part of the Site without the prior approval of the City and HCD, which shall not be unreasonably withheld. Developer shall request approval by written notice at least ninety (90) days prior to any proposed transfer. This prohibition shall not be deemed to (i) prevent the granting of easements or permits to facilitate the development of the Site, (ii) prohibit or restrict the rental or leasing of units when the construction of the Housing Project is completed, or (iii) prohibit or restrict the grant and exercise of an option and/or right of first refusal to purchase the Site given by Developer to a general partner of Developer in accordance with the Developer's Partnership Agreement on or around the expiration of the tax credit compliance period which shall not require the prior written approval of Developer, but Developer shall give notice of such transfer to City.
3. MANAGEMENT. During the term of this Covenant, Developer shall promptly notify the City in the event there is any change in the property management company managing the Housing Project. The property management agreement shall name the City as a third-party beneficiary permitting the City the right to enforce the Agreement. Developer shall submit a copy of such agreement to the City, provided the City shall not have the right to approve or disapprove such agreement except to ensure compliance of such agreement with the provisions of this paragraph.
4. NO DISCRIMINATION. The Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Developer itself or any

person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Site.

5. **NONDISCRIMINATION AND NONSEGREGATION CLAUSES.** All deeds, leases or contracts made relative to the Site, the improvements thereon or any part thereof, shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

All deeds, leases or contracts made relative to the Site, the improvements thereon or any part thereof shall contain or be subject to substantially the following nondiscrimination clauses:

- (1) **In deeds:** (a) "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the grantee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."
- (b) Notwithstanding paragraph (a), with respect to familial status, paragraph (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (a).
- (2) **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:
 - (a) "That there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein

leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein leased."

(b) Notwithstanding paragraph (a), with respect to familial status, paragraph (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (a).

(3) **In contracts:** "There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises."

6. **NO IMPAIRMENT OF LIEN.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument; provided, however, that any successor of Developer to the Site shall be bound by such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.
7. **DURATION.** The covenants contained in Section 1 of this Covenant shall be deemed to run with the land and shall remain in effect for not less than fifty-five (55) years following the date the certificate of occupancy is issued for the Housing Project. The covenants against discrimination contained in Sections 4 and 5 of this Covenant shall be deemed to run with the land and shall remain in effect in perpetuity.
8. **SUCCESSORS AND ASSIGNS.** The covenants contained in this Covenant shall be binding for the benefit of the City and its respective successors and assigns, third party beneficiaries, and any successor in interest to the Site or any part thereof, and such covenants shall run in favor of the City and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the City is or remains an

Developer of any land or interest therein to which such covenants relate. The City, and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Covenant shall be for the benefit of and shall be enforceable only by the City, and its respective successors and assigns, third party beneficiaries, and such aforementioned parties.

9. NOTICES. Any notices or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below:

To City:

City of Crescent City
377 J Street
Crescent City, CA 95531
Attn: City Manager

To Developer:

Community System Solutions
7806 Juarez Way
Fair Oaks, CA 95628
Attn: Michael Bahr, CEO

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

10. GOVERNING LAW. The laws of the State of California shall govern this Agreement. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Del Norte, State of California or in Federal District Court in the Northern District of California.
11. DEFAULT. Failure or delay by either party to perform any term or provision of this Agreement, which is not cured within thirty (30) days after receipt of notice from the other party, constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with due diligence. The injured party shall give written notice of default to the party in default specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not initiate proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.
12. REMEDIES. Upon a violation by Developer of its obligations and covenants in this Agreement, after providing the requisite notice and cure period as set forth in Section 11 hereof, City may institute any appropriate legal actions or proceedings necessary and seek any remedies available at law or in equity to ensure compliance with this Agreement, including but not

limited to actions for specific performance, injunctive relief or damages. Any provision hereunder providing for a specific remedy shall not be deemed a waiver of any other right or remedy available to the City.

13. ATTORNEY'S FEES. In any action brought to declare the rights granted herein or to enforce or to interpret any of the terms of this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees in an amount determined by the court.
14. COSTS AND EXPENSES. The Developer shall pay all costs and expenses incurred to comply with its obligations arising from this Agreement and incurred by the City or any of its departments and arising from this Agreement, including the review of any requests for approvals made by the Developer.
15. NON-WAIVER. Failure to exercise any right City may have or be entitled to, in the event of default hereunder shall not constitute a waiver of such right or any other right in the event of a subsequent default.
16. FURTHER ASSURANCES AND RECORDATION. Developer shall execute any further documents consistent with the terms of this Agreement, including documents in recordable form and do such further acts as may be necessary, desirable or proper as City shall from time to time finds necessary or appropriate to effectuate its purpose in entering into this Agreement.
17. ENTIRE AGREEMENT. The text herein and attachments, constitutes the entire agreement between the parties with respect to the matter described herein. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement, statement or promise not contained in this Agreement shall not be valid or binding.
18. AMENDMENT OF THIS AGREEMENT. This Agreement may be amended from time to time in whole or in part by mutual consent of the original parties or their successors in interest, in accordance with this Agreement, the Crescent City Municipal Code and California law.
19. TERM OF AGREEMENT. The covenants and restrictions contained in the Agreement shall remain in effect for fifty-five (55) years from the date of Certificate of Occupancy issuance for the Housing Project, including all of the Affordable Units.
20. SEVERABILITY. If any article, section, subsection, term or provision of this Agreement, or the application thereof to any party or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of the article, section, subsection, term or provision of this Agreement, or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining article, section, subsection, term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the City and Developer have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this 18th day of February 20 21.

CITY:

CITY OF CRESCENT CITY, a municipal corporation of the State of California

By: _____


Eric Wier, City Manager

Approved as to Form:

By: _____


Martha D. Rice, City Attorney

STATE OF CALIFORNIA }
COUNTY OF DEL NORTE }

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.

On 2-18-26 before me, ROBIN E. ALTMAN, a Notary Public, personally appeared ERIC WIER 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 signatures(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.

[seal]



Signature

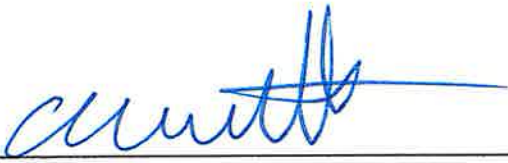


DEVELOPER:

COMMUNITY SYSTEM SOLUTIONS

By: 

Michael Bahr, CEO

By: 

Andrew Crotto, Secretary

STATE OF CALIFORNIA }
COUNTY OF DEL NORTE }
SACRAMENTO *

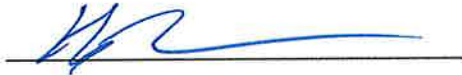
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

On MARCH 2, 2026 before me, DARIN R. MORTENSEN, a Notary Public, personally appeared MICHAEL BAHK and ANDREW CROTTO 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 signatures(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.

[seal]



Signature



EXHIBIT A

Legal Description of the Site

Real property in the City of Crescent City, County of Del Norte, State of California,
described as follows:

Exhibit "A"

Legal Description

Real property in the City of Crescent City, County of Del Norte, State of California, described as follows:

Beginning at the most Easterly corner of Block 22 of the City of Crescent City, according to the official city surveys and monuments; And running thence Northerly along J street, 240 feet to fourth street; thence Westerly along fourth street, 120 feet; thence at a right angle Southerly, 80 feet; thence at a right angle Easterly, 40 feet; thence at a right angle Southerly, 160 feet to third street; And thence Easterly along third street, 80 feet to the Point of Beginning.

APN: 118-120-025-000



CITY COUNCIL AGENDA REPORT

TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL
FROM: ERIC WIER, CITY MANAGER

BY: SARA BARBOUR, HUMAN RESOURCES MANAGER
BILL GILLESPIE, INTERIM FIRE CHIEF

DATE: MAY 4, 2026

**SUBJECT: FIRE CHIEF RECRUITMENT –JOB DESCRIPTION, RECRUITMENT
FLYER AND RELOCATION ASSISTANCE UPDATES**

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Approve the updated Fire Chief Job Description and Recruitment Flyer
- Authorize the City Manager to offer a relocation assistance benefit of up to \$10,000 for the Fire Chief position, subject to final terms and conditions in the employment agreement.

BACKGROUND

The position of Fire Chief has been vacant since the departure of Fire Chief Carey on December 27, 2025. Since December 29, 2025, the role has been filled on a part time basis by Interim Fire Chief Gillespie. A full time, permanent Fire Chief is necessary for long term leadership, administration and support of the fire department. The last recruitment for the Fire Chief position was conducted in 2022. Since that time, the department has experienced operational changes and evolving service demands, including expanded coordination between the City and District and an increased emphasis on administrative oversight, training, and fire prevention functions.

The Fire Chief Job Description has been amended to reflect the current operational, administrative, and leadership needs of Crescent City Fire & Rescue and the Crescent Fire Protection District. The position serves as a contract management role under the direction of the City Manager and is responsible for overseeing all fire department operations, including fire suppression, emergency medical services, fire prevention, and administrative functions for both the City and District.

As the department continues to evolve as a combination agency (volunteer and career fire personnel) serving both City and District responsibilities, it is important that the job description and recruitment materials accurately reflect the expectations, duties, and qualifications necessary for effective leadership. In conjunction with the updated job description, staff have developed a two-page recruitment flyer to support outreach efforts and attract qualified candidates for the Fire Chief position.

ITEM ANALYSIS

The updated job description includes several key revisions to better align with current and future operational needs:

Clarification of Roles and Responsibilities:

- Emphasizes the Fire Chief's role in overseeing both City and District operations under a contractual service model
- Reinforces responsibility for coordination with partner agencies, regional stakeholders, and governing bodies
- Clarifies that the Fire Chief serves as Fire Marshal or designee, responsible for fire prevention, code enforcement, inspections, and plan review activities

Operational and Administrative Updates:

- Updates language related to leadership, training, and personnel management
- Clarifies expectations for reporting, budgeting, and strategic planning for both City and District functions
- Improves consistency and readability throughout the document

Certification Requirements Update:

- Requires Fire Inspector 1 or Plans Examiner certification within 24 months of hire, with the alternate certification to be obtained within 48 months, subject to course availability and department needs
- Maintains existing requirements for Firefighter I, Company Officer, and EMS certification

Recruitment Flyer:

The proposed two-page recruitment flyer highlights key elements of the position, including minimum qualifications, desirable experience, department structure, and community attributes. The flyer is designed to support recruitment efforts by providing a clear and

visually engaging summary of the opportunity while directing interested candidates to additional materials.

Relocation Assistance:

To support recruitment efforts and attract qualified candidates, staff is recommending the inclusion of a relocation assistance benefit of up to \$10,000. This benefit is intended to offset moving and relocation-related expenses for the selected candidate. The cost of this benefit would be shared equally between the Crescent Fire Protection District and the City of Crescent City and administered in accordance with the terms outlined in the final employment agreement.

On Tuesday, April 28, 2026, the Crescent Fire Protection District Board held a special meeting to review the updated Fire Chief Job Description, Fire Chief Recruitment Flyer, and the request to add a relocation benefit of up to \$10,000 for the Fire Chief recruitment process. The Board approved the documents and supported the relocation benefit, with the request that the relocation benefit be part of the Fire Chief employment contract as a reimbursement or payment of moving costs with approval of submitted invoices and/or receipts.

FISCAL ANALYSIS

The proposed relocation assistance benefit of up to \$10,000 will be incorporated into the Fire Chief employment agreement. Costs will be shared equally between the City of Crescent City and the Crescent Fire Protection District, consistent with the existing cost-sharing structure. Funding will be included in the Fire Department operating budget. Actual costs will be dependent on candidate selection and utilization of the benefit.

STRATEGIC PLAN ANALYSIS

This item is consistent with the following strategic plan goals:

- Goal 1: Support Quality Services, Community Safety, and Health to Enhance the Quality of Life and Experience of Our Resident and Visitors
 - C. Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States
- Goal 3: Obtain the Highest Levels of Organizational Excellence
 - D. Seek methods to create efficiencies and add additional value without compromising safety or performance

ATTACHMENTS

1. Updated Fire Chief Job Description
2. Fire Chief Recruitment Flyer



City of Crescent City

Classification: Fire Chief

EEO Classification:1

Employee Association: None- contracted position

FLSA Status: Exempt

DEFINITION: This is a contract management position. Under administrative direction of the City Manager, the Fire Chief plans, organizes, directs and administers all activities and operations of the Crescent City Volunteer Fire Department and other neighboring fire districts or agencies which have contracted for services including Crescent Fire Protection District. Ensures that the department incorporates up-to-date and efficient fire prevention, fire suppression, hazardous incident mitigation, emergency medical response technologies, and emergency preparedness into its procedures, equipment and methods.

This classification may be designated as either part-time or full-time depending upon the existence of any agreement for fire chief services which may be in effect with other fire districts or agencies.

For purposes of this classification, references to the "City" mean the City of Crescent City as the employing agency and all related municipal functions, not solely the Crescent City Volunteer Fire Department. References to the "District" mean the Crescent Fire Protection District and its fire service operations conducted under contract with the City.

ESSENTIAL FUNCTIONS / KNOWLEDGE, SKILLS & ABILITIES: *The following duties are typical for this classification. Incumbents may perform all or some of the key responsibilities listed below and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices. Incumbents may be required to have all or some of the specialized knowledge, skills, and abilities listed. Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodation so that qualified employees can perform the essential functions of the job.*

Examples of Essential Job Functions (including but not limited to the following):

- Provides administrative management, leadership, support and motivation to all Fire Department personnel to facilitate the delivery of efficient and effective public safety measures, the maintenance of a positive quality of life for all City and District residents, and to ensure professional standards are maintained by Department personnel at all times.
- Responds to fire, medical and other emergencies and exercises incident management for fire suppression and other emergency activities. Actively participates in department duty coverage assignment.
- Coordinates fire department operations with the activities of other City departments, Crescent Fire Protection District and other public safety agencies; including developing cooperative working relationships and mutual aid agreements.
- Participates in agency meetings, including but not limited to City Council meetings, District Board meetings, department head and staff meetings, emergency planning meetings, budget meetings, County Fire Chiefs Association meetings, fire department association meetings, etc.
- Conducts periodic inspections of commercial and public buildings for compliance with applicable fire and life safety codes, and per state mandate, as required.

- Ensures that safety regulations and procedures are followed and proper safety equipment is worn and utilized by fire personnel at the scene of any emergency, and other times where safety and personal protective equipment (PPE) may be required.
- Directs and participates in the development and administration of the department's budget, including staffing levels, equipment, and supplies; monitors expenditures and ensures fiscal oversight for both the City of Crescent City and the Crescent Fire Protection District. Prepares and updates short- and long-range strategic plans to ensure the department's contribution to the City and District's overall plans.
- Prepares and maintains emergency incident and fire reports, including fire investigation reports. Ensures timely data reporting to state and federal agencies as applicable and required.
- Reviews project referrals, construction plans and specifications to determine compliance with fire and life safety codes.
- Prepares comprehensive reports, department materials and correspondence.
- Develops, directs, coordinates and communicates the development and implementation of departmental goals, policies, procedures and work standards for the department; establishes within City and Crescent Fire Protection District policy, appropriate service and staffing. Continuously monitors and evaluates the efficiency and effectiveness of service delivery methods and procedures, the distribution of work, support systems and internal reporting relationships.
- Evaluates and reviews work for acceptability and conformance with department standards through regular performance evaluations. Plans and administers a comprehensive program of staff development and training in accordance with all requirements within limitations of laws and regulations.
- Performs mandated reporting of fire department activities to state agencies in a timely manner, including submission of incident reports, and state mandated facility inspections.
- Assigns and directs firefighting, rescue and disaster control activities.
- Supports and leads the delivery of effective, timely, and up-to-date training programs.
- Ensures accurate training and incident response records are maintained for all personnel.
- Investigates complaints regarding departmental activities and reports findings to the City Manager and District Board as appropriate.
- Coordinates activities with the County Office of Emergency Services functions and other emergency services of the City and District and maintains communication with the City Manager and District Board as necessary.
- Confers with City Manager, District Board and elected officials on planning and implementation of efficient and effective public safety measures designed to meet community expectations and needs.
- Has the authority to report to district boards for which the City and District has contracted services to. The Fire Chief may report and facilitate meetings and discussions as necessary.
- Cultivates good community relations by appearing before civic, fraternal, and other community groups. This may also include participating on a variety of boards, commissions and professional group meetings; attending a variety of community events and other public relations activities.
- Makes regular reports of departmental activities through use of the news media and is a liaison between the general public and the Fire Department to promote goodwill, cooperation and open communication between the department and the community.
- Stays abreast of new trends in the fire service and up-to-date on legal issues affecting the fire service, regulatory requirements, court decisions and technological and societal changes that may affect the work of the department.

- Presents staff reports and informational updates from direction of the City Manager. Presents staff reports and informational updates to Crescent Fire Protection District as necessary.
- Performs other related work as assigned.
- Serves as Fire Marshal or designee, responsible for fire prevention, code enforcement, inspections, and plan review activities.

Knowledge of:

- Management and supervisory principles and practices to provide effective leadership & supervision, and support effective communication with supervisors, elected officials, subordinates, and others as required.
- Servant leadership, employee and coworker empowerment, team building, and principles and practices of employee development.
- Applicable Federal, State and local laws, codes, court decisions and regulations concerning fire and life safety, fire suppression, fire prevention and emergency services administration.
- Techniques for dealing with and solving issues and concerns presented by a variety of individuals from various socio-economic, cultural and ethnic backgrounds; often when relations may be confrontational or stressed.
- Principles, practices, and procedures of equipment used in fire suppression, fire prevention, first aid, emergency medical services and hazardous materials response.
- Fire science, fire behavior and fire investigation procedures.
- Rules and regulations of the fire department, geography of the community, jurisdictional boundaries, location of streets, target hazard buildings and water hydrant systems.
- Modern principles, practices and techniques of the leadership and management of a fire agency;
- Current personnel practices, personnel law and knowledge of risk management related to the functions of the assigned area.
- Accident investigation and reporting, harassment policies and procedures, personnel injury reporting procedures, progressive discipline practices, California Firefighter Procedural Bill of Rights process, and other applicable information.
- Safety regulations and accepted safety standards as they relate to the work and equipment.
- Principles of public and business administration, organization, and budgetary control.
- Grants and funding sources for fire and rescue agencies.
- Emergency services management and safety training;
- Techniques for providing a high level of customer service to the public, City staff, Crescent Fire Protection District Board Members, and fire department personnel in all forms of communication and correspondence.
- Computers and modern office technologies, iPad, VHF radios, and fire service software in common use.

Ability to:

- Lead by a positive and professional example.
- Motivate and inspire a combination fire department made up of volunteer firefighters, career and administrative staff.
- Successfully complete a medical exam, physical performance assessment and SCBA fit test on an annual basis.
- Plan, direct, supervise and coordinate the operations of the fire department by communicating effectively, and providing leadership and Leader's Intent to fire department members.

- Develop and administer sound department policies and maintain accurate records.
- Establish and maintain positive, cooperative and effective working relationships with public agencies, officials, fire department personnel, and the general public.
- Prepare clear, concise and comprehensive written and oral reports, and other required records and documents;
- Analyze and interpret data, statistics and reports.
- Enforce applicable regulations with fairness, firmness and tact;
- Interpret codes and regulations;
- Communicate clearly and concisely, orally and in writing to provide a clear direction to others; in person, over the telephone, and through email and other electronic communication methods.
- Receive input effectively.
- Think and act quickly and appropriately in emergencies and assess situations and people accurately.
- Make decisions based on fire service best practices.
- Handle stressful and possibly hazardous situations both physically and mentally.
- Plan and carry out department programs and operations, including training and development, fire prevention and investigation activities.
- Work flexible hours, subject to be called out for emergency incidents and/or duty coverage needs.
- Work in extreme weather conditions and hazardous environments, including smoke-filled areas, during all hours of the day and night. Meet physical requirements necessary to safely and effectively perform the assigned duties.

SUPERVISION: This position works under the policy guidance and direction of the City Manager. This position exercises supervision over all department volunteers and career personnel, either directly or indirectly through the Fire Department Chain of Command. When providing Fire Chief services by contract to another fire district or agency this position may take general direction from the contracting district or agency.

WORK LOCATION: Due to emergency response responsibilities, the Fire Chief must reside within the Crescent City Fire District or relocate within the district within 6 months of appointment.

QUALIFICATIONS: *Any combination equivalent to experience and education that would provide the required skills, knowledge and abilities may qualify. A typical way to obtain the skills, knowledge and abilities would be:*

Education and Experience:

- Completion of a certificate program in fire technology, fire protection engineering or fire science
- or**
- Graduation from an accredited four-year college or university with a degree in fire science, public safety or closely related field.
- or**
- Any equivalent combination of education, experience and training that provides the required knowledge, skills and abilities.

Experience: Ten (10) or more years of progressively responsible service with a volunteer, combination or career fire department, including a minimum of three (3) years of previous experience as a Battalion Chief or higher level chief officer.

License: Must possess and maintain a valid commercial Class A or Class B driver's license, or a Class C license with a Firefighter Endorsement (or ability to obtain within 6 months of hire).

Required Certifications: First Aid and CPR Certification; First Responder Certification; Firefighter I Certification; Company Officer Certification (or Fire Officer 2); Fire Inspector 1 or Plans Examiner Certification (or equivalent) required within 24 months of hire. The alternate certification shall be obtained within 48 months of hire, subject to course availability and department needs; California State certification or National Registry certification as an Emergency Medical Technician 1 or Paramedic (or ability to obtain within 24 months of hire).

Highly Desirable: Completion of Chief Officer, or Fire Officer 3, or Fire Marshal, or Fire Investigator certification; Executive Fire Officer Program completion; or Fire Chief certification through the California State Fire Marshal Office or Center for Public Safety Excellence.

PHYSICAL, MENTAL, ENVIRONMENTAL AND COMMUNICATION DEMANDS: *Essential duties require the following physical, mental, environmental and communication demands:*

Physical: Must possess sufficient mobility with or without reasonable accommodation, to work in a standard office setting and use standard office equipment, including a computer; Finger dexterity is needed to access, enter and retrieve data using a computer keyboard or calculator and to operate fire service equipment. Must possess mobility to work in the field setting and upon emergency scenes, including but not limited to multi-story buildings with stairs, construction sites, up and down hills, along roadways, fields, beaches, and other locations as necessary. Ability to frequently bend, stoop, kneel, reach, stand and climb to perform work and inspect work sites. Must possess the ability to lift, carry, push, and pull materials in excess of 100 pounds and objects necessary to perform job functions. Must have the ability to operate a motor vehicle and wear/use a self-contained breathing apparatus and required firefighter personal protective equipment (PPE).

Mental: Must possess the ability to perform a variety of highly responsible, complex and difficult duties as found in emergency service response work, using good discretion and good independent judgment; must have good conflict resolution skills and the ability to respond quickly in high stress situations.

Vision: Must maintain sufficient visual acuity with or without reasonable accommodation, corrected or non-corrected, far and near, depth, perception, field of vision, color vision and night vision to obtain impressions of shape, size, distance, motion, color and other characteristics of objects. Must be able to read the English language, read reports, data sheets, meeting agendas and agenda summaries, budgets, and mobile and portable VHF radio displays to identify channels.

Hearing: Must maintain sufficient hearing clarity with or without reasonable accommodation, corrected or non-corrected, of hearing within speech frequencies to maintain two-way communications in person, on the telephone and by radio with other firefighters and the public.

Speech: Must maintain sufficient speech clarity and the ability to communicate verbally in a clear and concise manner with or without reasonable accommodation, with other firefighters and the public. Must be able to communicate via telephone, cell phone, and portable and mobile radios.

Writing: Sufficient to prepare a variety of complex reports, personnel, and administrative documents, correspondence and related documents.

Reading: Sufficient to research, understand, comprehend and interpret laws, regulations, policies, procedures and processes, as well as other specific material related to the position.

While performing duties, the employee is regularly required to use written and oral communication skills; analyze community service, budget and technical reports; interpret and evaluate staff reports; know laws, regulations and codes; observe performance and evaluate staff; problem solve community service issues; remember personnel rules, legal and code requirements; and explain and interpret codes, policies and procedures, interact with City management, other governmental officials, contractors, vendors, employees and the public.

ENVIRONMENTAL ELEMENTS: Employees work indoors and outdoors, and are exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, vibration, confining workspace, chemicals, mechanical and/or electrical hazards, and hazardous physical substances and fumes. Duties may be performed in adverse environmental conditions, including exposure to intense heat, heavy smoke, dust and fumes. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures.

WORKING CONDITIONS: Must be willing to work duty coverage and extended shifts or be called back in emergency situations and work with exposure to stressful and difficult circumstances, including exposure to dangerous situations with strong conflict resolution skills.

— NOW HIRING — FIRE CHIEF

Crescent City Fire & Rescue

Crescent City, California



Lead with Purpose. Serve with Pride. Protect Our Community.

The City of Crescent City is seeking a dynamic and experienced Fire Chief to lead a combination fire department serving both the City and Crescent Fire Protection District.

Located along California's northern coastline, Crescent City offers a rare combination of professional opportunity and unmatched natural beauty. From rugged Pacific Ocean views to the towering redwoods of Redwood National and State Parks, this is a place where leadership and lifestyle come together.



**LEAD A COMBINATION
DEPARTMENT**

Volunteer, career, and admin
personnel



**SERVE MULTIPLE
AGENCIES**

City & District



**COMMAND EMERGENCY
OPERATIONS**

Fire, EMS, HazMat &
disaster response



**DRIVE STRATEGY &
ACCOUNTABILITY**

Budget, planning, and
department performance

APPLY TODAY AND HELP SHAPE OUR FUTURE

ISO CLASS 2 DEPARTMENT WITH OVER 100 YEARS OF SERVICE

LEADERSHIP. SERVICE. INTEGRITY.

BUILDING A SAFER COMMUNITY TOGETHER



COMPENSATION & BENEFITS

Salary Range: \$127,961 – \$163,321 annually, depending on experience. This range reflects the current salary schedule and will increase by a 3.0% COLA effective July 2026.

Benefits include:

- Retirement through CalPERS
- Medical, dental, and vision coverage
- Paid vacation, sick leave, and holidays
- Professional development opportunities
- Leadership role with meaningful community impact
- *Relocation assistance up to \$10,000

MINIMUM QUALIFICATIONS

- Bachelor's degree in Fire Science, Public Safety, or a related field (or equivalent combination of education, experience, and training)
- Minimum ten (10) years of progressively responsible fire service experience
- At least three (3) years of experience as a Battalion Chief or higher-level officer
- Required certifications:
 - Firefighter I
 - EMT (or higher)
 - Company Officer / Fire Officer II
 - CPR / First Aid
- Fire Inspector 1 or Plans Examiner certification (or equivalent) required within 24 months of hire; the alternate certification shall be obtained within 48 months, subject to course availability
- Possession of a valid California driver's license (Class A or Class B, or Class C with Firefighter Endorsement), or the ability to obtain within six (6) months of hire

IDEAL CANDIDATE

Our next Fire Chief will be:

- A visible and engaged leader in the community
- A mentor and team builder who invests in people
- A strategic thinker who can guide long-term planning
- Comfortable working within a City–District partnership model
- Adaptable, approachable, and solutions-oriented

****Must establish residency within the jurisdiction within 6 months of appointment***

WHAT WE'RE LOOKING FOR

We are seeking a leader who brings a balance of operational experience, administrative capability, and community focus.

The ideal candidate will demonstrate:

- Strong leadership and decision-making skills
- Experience managing budgets, policies, and personnel
- Commitment to transparency and collaboration
- Ability to build relationships with elected officials, staff, and the public
- Forward-thinking approach to fire service delivery

RECRUITMENT TIMELINE

Recruitment Opens:

Apply By:

Interviews:

Start Date:

READY TO LEAD CRESCENT CITY FIRE & RESCUE?

Apply with resume, cover letter, and certifications

 **707-464-7483**

 **SBarbour@crescentcity.org**

 **www.crescentcity.org**

The City of Crescent City is an Equal Employment Opportunity Employer



PC: Bryant Anderson III

For more information about our area go to:
VisitDelNorteCounty.com



CITY COUNCIL AGENDA REPORT

TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

**BY: SARA BARBOUR, HUMAN RESOURCES MANAGER
BILL GILLESPIE, INTERIM FIRE CHIEF**

DATE: MAY 4, 2026

SUBJECT: FIRE DEPARTMENT VOLUNTEER STIPEND UPDATES

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Approve and adopt Resolution No. 2026-35, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY APPROVING STIPENDS FOR CRESCENT CITY FIRE AND RESCUE VOLUNTEERS EFFECTIVE JULY 1, 2026

BACKGROUND

The City of Crescent City values the service, dedication and professionalism of the men and women serving as volunteer firefighters with Crescent City Fire & Rescue. Through written agreement, the City and the Crescent Fire Protection District utilize a volunteer stipend program to support recruitment, retention, and engagement of volunteer personnel within Crescent City Fire & Rescue. Stipends are a minimal reimbursement to the volunteer meant to offset their expenses to respond to the station for calls and training and acknowledge the time and work they are volunteering to the community.

The current stipend structure has remained largely unchanged for several years and no longer reflects the increasing demands placed on volunteer members. City and department staff have conducted a review of the existing stipend model and developed a proposed update to better align with responsibilities, time commitment, and market conditions.

ITEM ANALYSIS

The proposed stipend adjustments include updates to three primary areas: shift stipends, response stipends, and monthly stipend caps.

2026 Proposed Volunteer Stipends (nominal fee)		
12-HOUR SHIFT STIPENDS**	<i>Current</i>	<i>Proposed</i>
Battallion Chief - Duty	\$175	\$200
Battallion Chief - Admin	\$0	\$200
Captain - Duty	\$100	\$115
Station Staffing / Training* - Captain	\$75	\$95
Station Staffing / Training* - Engineer	\$75	\$85
Station Staffing / Training* - App. Op.	\$75	\$80
Station Staffing / Training* - Firefighter	\$75	\$75
<i>* Volunteer travels outside of Del Norte County for training.</i>		
<i>** No response stipends may be earned while on a duty shift.</i>		
RESPONSE STIPENDS	<i>Current</i>	<i>Proposed</i>
Medical - non-EMT	\$10	\$11.00
Medical - EMT	\$15	\$16.50
Fire / Training - Firefighter	\$20	\$22.00
Fire / Training - Apparatus Op / Engineer	\$20	\$25.00
Fire / Training - Capts / Battalion Chief	\$25	\$27.50
ARFF Shift	\$50	\$50.00
MONTHLY STIPEND CAP*	<i>Current</i>	<i>Proposed</i>
Battallion Chief	\$2,230.92	\$3,092.00
Captain	\$1,871.98	\$2,204.00
Engineer	\$1,666.63	\$1,938.00
Firefighter	\$1,485.25	\$1,737.00
<i>*All stipends are included in the monthly stipend cap.</i>		

All stipends, including shift and response stipends, are included within the monthly cap limits. Additionally, personnel assigned to duty shifts are not eligible to earn response stipends during those assigned shift periods. These adjustments are intended to:

- Improve volunteer recruitment and retention
- Recognize increased training and operational expectations
- Maintain competitiveness with comparable agencies

- Provide clearer structure and equity across ranks

On Tuesday, April 28, 2026, the Crescent Fire Protection Board held a special meeting to review the proposed volunteer stipend increase. The Board supported the proposed volunteer stipend increase and approved the rates shown.

FISCAL ANALYSIS

The proposed stipend increases will result in higher overall personnel costs depending on participation levels and utilization of shifts and responses.

Funding Source:

- City line-item budget via the Fire Department operating budget for City portion of increase.
- Crescent Fire Protection District for District share as per the response agreement.

Actual fiscal impact will vary based on:

- Number of volunteers participating in duty and sleeper shifts
- Call volume and training activity

Under the agreement between the City and the Crescent Fire Protection District, expenses for volunteer stipends are split based on the annual percentage of calls within the City versus within the District. Staff has estimated the annual increase in stipends to be in the range of \$30,000, of which the District is responsible for approximately two-thirds. Actual costs will depend on the number and type of stipends paid out.

The proposed stipend adjustments will be incorporated into the FY 2026/2027 budget and reflected under Professional Services provided by the City, consistent with the City–District agreement and County budget coding requirements.

STRATEGIC PLAN ANALYSIS

This item is consistent with the following strategic plan goals:

- Goal 1: Support Quality Services, Community Safety, and Health to Enhance the Quality of Life and Experience of Our Resident and Visitors
 - C. Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States
- Goal 3: Obtain the Highest Levels of Organizational Excellence
 - D. Seek methods to create efficiencies and add additional value without compromising safety or performance

ATTACHMENTS

1. Draft Resolution No. 2026-35

RESOLUTION NO. 2026-35

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY
APPROVING STIPENDS FOR CRESCENT CITY FIRE AND RESCUE VOLUNTEERS
EFFECTIVE JULY 1, 2026**

WHEREAS, the Crescent City Fire Department and the Crescent Fire Protection District are both served by the same volunteer firefighters' organization, known as Crescent City Fire and Rescue; and

WHEREAS, both the City and District fire departments are dependent upon the volunteerism of the men and women of our community in order to provide lifesaving and fire-suppression services; and

WHEREAS, Crescent City Fire and Rescue Battalion Chiefs have continued to provide weekly duty officer coverage opposite of the Fire Chief's schedule, at great demand of their personal time; and

WHEREAS, Crescent Fire & Rescue has instituted a Station Staffing Program, wherein volunteers spend a 12-hour shift at the station ready to respond to calls for service; and

WHEREAS, our community as well as the nation has been greatly impacted by rising rates of inflation and soaring gasoline prices; and

WHEREAS, the City Council has determined that an increase to volunteer stipends is warranted.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Crescent City, State of California, that:

1. The foregoing recitals are true and correct.
2. Effective July 1, 2026, the stipends for Crescent City Fire & Rescue Volunteer firefighters are as follows:

12 Hour Shift Stipends**	Amount
Battalion Chief - Duty	\$200
Battalion Chief - Admin	\$200
Captain - Duty	\$115
Station Staffing / Training* – Captain	\$95
Station Staffing / Training*– Engineer	\$85
Station Staffing / Training*– Apparatus Operator	\$80
Station Staffing / Training* -- Firefighter	\$75
<i>*Volunteer travels outside of Del Norte County for training</i>	
<i>**No response stipends for responses during a 12-hour shift</i>	

Response Stipends	Amount
Medical - Non-EMT	\$11.00
Medical - EMT	\$16.50
Fire / Training - Firefighter	\$22.00
Fire / Training – Apparatus Operator / Engineer	\$25.00
Fire / Training – Captain / Battalion Chief	\$27.50
ARFF Shift	\$50.00

3. Effective July 1, 2026, each volunteer will have a maximum monthly cap on stipends, inclusive of both 12-hour shift stipends and response stipends. Upon reaching that amount, no more stipends may be accrued by the volunteer for that month. For ease of administration, the monthly caps will be measured by calendar months. The monthly stipend caps are as follows:

Monthly Stipend Cap	Amount
Battalion Chief	\$3,092
Captain	\$2,204
Engineer	\$1,938
Firefighter / Apparatus Operator	\$1,737

4. If a volunteer that resides outside of Del Norte County travels to Del Norte County to provide Duty Shift Coverage as requested by the Fire Chief, then he or she will be eligible for mileage and per diem reimbursement at then-current IRS rates (in addition to the stipend). Reimbursements do not count toward the monthly stipend cap.

PASSED AND ADOPTED and made effective the same day by the City Council of the City of Crescent City, State of California this 4th day of May 2026, by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Isaiah Wright, Mayor

ATTEST:

Robin Altman, City Clerk

CITY COUNCIL AGENDA REPORT



TO: MAYOR WRIGHT AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: RICHARD GRIFFIN, CHIEF OF POLICE

DATE: MAY 4, 2026

SUBJECT: 10-YEAR AXON ENTERPRISES, INC. AGREEMENT

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Approve and authorize the City Manager to sign a 10-year contract with Axon Enterprise, Inc. for Body Cameras, Tasers, In-Car Units, Software and Hardware in the Total Amount of \$1,099,477.60

BACKGROUND

Currently the Crescent City Police Department has two separate contracts with Axon Enterprises which require multiple invoices due to the time frame of when equipment was added to the contract. The body camera and TASER contract was recently renewed and runs through 2031. The Fleet contract, covering the in-car cameras, is set to expire in early 2028 and currently has three separate invoices that cover a total of 11 vehicles. Axon recently contacted Chief Griffin with a proposal to switch to a new 10-year contract that will save the city money over the period of the contract and bring all the current contracts and invoices into one contract and invoice per year.

ANALYSIS

Currently the Crescent City Police Department has two separate contracts that total the following:

- Current Annual Spend (TASER & Body Cameras): \$59,645.46
- Current Annual Spend (Fleet): \$35,063.81
- Total Current Spend: \$94,709.27

The proposed contract will renew the Fleet in-car units, consolidate all the current agreements, and keep the first five years of the contract aligned with what we currently have budgeted, with a budgeted increase in years 2031 to 2035.

Cost Breakdown:

- July 1, 2026: \$94,065
- July 1, 2027–2030: \$94,711 annually
- July 1, 2031–2035: \$125,313.54 annually
- Total Investment over the 10-year contract: \$1,099,477.60

The contract also comes with the following equipment upgrades included in the contract:

AXON TAP Program (Technology Assurance Plan):

- Full equipment refresh in 2031 with the latest technology at no additional cost
- New TASER model in 2031
- New in-car units in 2031 and 2036
- New body cameras at years 2.5, 5, 7.5, and 10

The new contract will also include access to the Axon AI assistant program at no extra cost. Currently this program would allow the officer access to automatically translate speech from over 50 languages to help communicate clearly during traffic stops, calls for service, and other community interactions, all through the body-worn camera.

FINANCIAL IMPACT

If the City were to continue the current contracts and then negotiate new contracts at a later time, the new contract rates would depend on the level of inflation over the next several years. The Axon representative suggested an industry average of 5% to 8% increase per year. Depending on how much the assumed inflation ends up being over the 10 years, staff estimates this proposal would save the City approximately \$175,000. There would be no change in the first five years of the new contract, as the City has currently budgeted for the existing Axon contracts at the same cost. The contract does incur a \$30,602 increase per year for the remaining five years of the contract. The contract total is \$1,099,477.60.

STRATEGIC PLAN ANALYSIS

Attempting to acquire grant funding through these sources meets the goals and objectives of Goal 1 “Support quality services and community safety to enhance the lives of our citizens and visitors”, Subsection C. “Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States”

ATTACHMENTS

1. AXON Enterprise, Inc. 10-Year Agreement (Quote Q-832791-46134SB)



Axon Enterprise, Inc.
17800 N 85th St
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
International: +1.800.978.2737

Q-832791-46134SB

Issued: 04/22/2026

Quote Expiration: 05/22/2026

Estimated Contract Start Date: 08/01/2026

Account Number: 116184

Payment Terms: N30

Mode of Delivery: AUTO-GND

Credit/Debit Amount: \$0.00

SHIP TO	BILL TO
Crescent City Police Dept. - CA 686 G St Crescent City, CA 95531-3738 USA	Crescent City Police Dept. - CA 686 G St Crescent City CA 95531-3738 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Spencer Brachman Phone: Email: sbrachman@axon.com Fax:	Robert Griffin Phone: (215) 794-8089 Email: bob.griffin@leggett.com Fax:

Quote Summary

Program Length	120 Months
TOTAL COST	\$1,073,173.20
ESTIMATED TOTAL W/ TAX	\$1,099,477.60

Discount Summary

Average Savings Per Year	\$21,805.90
TOTAL SAVINGS	\$218,059.03

Payment Summary

Date	Subtotal	Tax	Total
Jul 2026	\$90,334.92	\$3,730.91	\$94,065.83
Jul 2027	\$92,584.57	\$2,126.44	\$94,711.01
Jul 2028	\$92,584.57	\$2,126.44	\$94,711.01
Jul 2029	\$92,584.57	\$2,126.44	\$94,711.01
Jul 2030	\$92,584.57	\$2,126.44	\$94,711.01
Jul 2031	\$122,500.00	\$2,813.54	\$125,313.54
Jul 2032	\$122,500.00	\$2,813.54	\$125,313.54
Jul 2033	\$122,500.00	\$2,813.54	\$125,313.54
Jul 2034	\$122,500.00	\$2,813.54	\$125,313.54
Jul 2035	\$122,500.00	\$2,813.57	\$125,313.57
Total	\$1,073,173.20	\$26,304.40	\$1,099,477.60

Quote Unbundled Price:	\$1,272,344.60
Quote List Price:	\$1,181,402.60
Quote Subtotal:	\$1,073,173.20

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
100553	TRANSFER BALANCE - SOFTWARE AND SERVICES	1			\$1.00	\$15,630.24	\$15,630.24	\$0.00	\$15,630.24
100552	TRANSFER BALANCE - GOODS	1			\$1.00	\$33,849.37	\$33,849.37	\$2,792.57	\$36,641.94
HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	120			\$0.00	\$0.00	\$0.00	\$0.00
M00047	OFFICER SAFETY PLAN T7 PLUS	18	120	\$407.18	\$390.20	\$355.08	\$766,977.59	\$18,950.89	\$785,928.48
Fleet3ARe	Fleet 3 Advanced Renewal	11	60	\$230.68	\$189.57	\$189.57	\$125,116.20	\$2,280.47	\$127,396.67
Fleet3ARe	Fleet 3 Advanced Renewal	11	60	\$230.68	\$189.57	\$189.57	\$125,116.20	\$2,280.47	\$127,396.67
A la Carte Hardware									
H00002	AB4 Multi Bay Dock Bundle	2			\$1,638.90	\$0.00	\$0.00	\$0.00	\$0.00
A la Carte Software									
102011	AXON AI ASSISTANT	18	120		\$36.35	\$0.00	\$0.00	\$0.00	\$0.00
ProLicense	Pro License Bundle	1	120		\$54.52	\$54.03	\$6,483.60	\$0.00	\$6,483.60
A la Carte Warranties									
73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	19		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	24		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total							\$1,073,173.20	\$26,304.40	\$1,099,477.60

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
AB4 CONNECTED HARDWARE BUNDLE	100147	AXON BODY 4 - CAMERA - NA US FIRST RESPONDER BLK RAPIDLOCK	18	1	07/01/2026
AB4 CONNECTED HARDWARE BUNDLE	100466	AXON BODY 4 - CABLE - USB-C TO USB-C	20	1	07/01/2026
AB4 CONNECTED HARDWARE BUNDLE	100775	AXON BODY 4 - MAGNETIC DISCONNECT CABLE	20	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	100591	AXON TASER - CLEANING KIT	1	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	100623	ENHANCED HOOK-AND-LOOP TRAINING (HALT) SUIT (V2)	1	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	101886	SIGNAL SENSOR	18	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	101889	AXON SIGNAL - BATTERY - CR2032	18	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	90	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	90	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	22177	AXON TASER 7 - CARTRIDGE - HALT STANDOFF NS	36	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	22178	AXON TASER 7 - CARTRIDGE - HALT CLOSE QUART NS	36	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	22179	AXON TASER 7 - CARTRIDGE - INERT STANDOFF (3.5-	18	1	07/01/2026

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
		DEGREE) NS			
OFFICER SAFETY PLAN T7 PLUS	22181	AXON TASER 7 - CARTRIDGE - INERT CLOSE QUART (12-DEGREE) NS	18	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	80087	AXON TASER - TARGET - CONDUCTIVE PROFESSIONAL RUGGEDIZED	1	1	07/01/2026
OFFICER SAFETY PLAN T7 PLUS	80090	AXON TASER - TARGET FRAME - PROFESSIONAL 27.5 IN X 75 IN	1	1	07/01/2026
AB4 Multi Bay Dock Bundle	100206	AXON BODY 4 - 8 BAY DOCK	2	1	08/01/2026
AB4 Multi Bay Dock Bundle	70033	AXON - DOCK WALL MOUNT - BRACKET ASSY	2	1	08/01/2026
AB4 Multi Bay Dock Bundle	71019	AXON BODY - DOCK POWERCORD - NORTH AMERICA	2	1	08/01/2026
OFFICER SAFETY PLAN T7 PLUS	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	36	1	07/01/2027
OFFICER SAFETY PLAN T7 PLUS	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	36	1	07/01/2027
OFFICER SAFETY PLAN T7 PLUS	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	36	1	07/01/2028
OFFICER SAFETY PLAN T7 PLUS	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	36	1	07/01/2028
OFFICER SAFETY PLAN T7 PLUS	22177	AXON TASER 7 - CARTRIDGE - HALT STANDOFF NS	36	1	07/01/2028
OFFICER SAFETY PLAN T7 PLUS	22178	AXON TASER 7 - CARTRIDGE - HALT CLOSE QUART NS	36	1	07/01/2028
OFFICER SAFETY PLAN T7 PLUS	100210	AXON VR - TAP REFRESH 1 - TABLET	1	1	01/01/2029
OFFICER SAFETY PLAN T7 PLUS	101009	AXON VR - TAP REFRESH 1 - HANDGUN CONTROLLER	1	1	01/01/2029
OFFICER SAFETY PLAN T7 PLUS	101012	AXON VR - TAP REFRESH 1 - TASER CONTROLLER	1	1	01/01/2029
OFFICER SAFETY PLAN T7 PLUS	20373	AXON VR - TAP REFRESH 1 - HEADSET	1	1	01/01/2029
OFFICER SAFETY PLAN T7 PLUS	73309	AXON BODY - TAP REFRESH 1 - CAMERA	18	1	01/01/2029
OFFICER SAFETY PLAN T7 PLUS	73689	AXON BODY - TAP REFRESH 1 - DOCK MULTI BAY	3	1	01/01/2029
OFFICER SAFETY PLAN T7 PLUS	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	36	1	07/01/2029
OFFICER SAFETY PLAN T7 PLUS	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	36	1	07/01/2029
OFFICER SAFETY PLAN T7 PLUS	22175	AXON TASER 7 - CARTRIDGE - LIVE STANDOFF (3.5-DEGREE) NS	36	1	07/01/2030
OFFICER SAFETY PLAN T7 PLUS	22176	AXON TASER 7 - CARTRIDGE - LIVE CLOSE QUART (12-DEGREE) NS	36	1	07/01/2030
Fleet 3 Advanced Renewal	72040	AXON FLEET - TAP REFRESH 1 - 2 CAMERA KIT	11	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	100211	AXON VR - TAP REFRESH 2 - TABLET	1	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	101010	AXON VR - TAP REFRESH 2 - HANDGUN CONTROLLER	1	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	101013	AXON VR - TAP REFRESH 2 - TASER CONTROLLER	1	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	20242	AXON TASER - CERTIFICATION PROGRAM YEAR 6-10 HARDWARE	18	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	20374	AXON VR - TAP REFRESH 2 - HEADSET	1	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	73310	AXON BODY - TAP REFRESH 2 - CAMERA	18	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	73688	AXON BODY - TAP REFRESH 2 - DOCK MULTI BAY	3	1	07/01/2031
OFFICER SAFETY PLAN T7 PLUS	100212	AXON VR - TAP REFRESH 3 - TABLET	1	1	01/01/2034
OFFICER SAFETY PLAN T7 PLUS	101011	AXON VR - TAP REFRESH 3 - HANDGUN CONTROLLER	1	1	01/01/2034
OFFICER SAFETY PLAN T7 PLUS	101014	AXON VR - TAP REFRESH 3 - TASER CONTROLLER	1	1	01/01/2034
OFFICER SAFETY PLAN T7 PLUS	20375	AXON VR - TAP REFRESH 3 - HEADSET	1	1	01/01/2034
OFFICER SAFETY PLAN T7 PLUS	73345	AXON BODY - TAP REFRESH 3 - CAMERA	18	1	01/01/2034
OFFICER SAFETY PLAN T7 PLUS	73347	AXON BODY - TAP REFRESH 3 - DOCK MULTI BAY	3	1	01/01/2034
Fleet 3 Advanced Renewal	72040	AXON FLEET - TAP REFRESH 1 - 2 CAMERA KIT	11	1	07/01/2036
OFFICER SAFETY PLAN T7 PLUS	73346	AXON BODY - TAP REFRESH 4 - CAMERA	18	1	07/01/2036
OFFICER SAFETY PLAN T7 PLUS	73348	AXON BODY - TAP REFRESH 4 - DOCK MULTI BAY	3	1	07/01/2036

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Fleet 3 Advanced Renewal	80400	AXON EVIDENCE - FLEET VEHICLE LICENSE	11	08/01/2026	07/31/2031
Fleet 3 Advanced Renewal	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	11	08/01/2026	07/31/2031
Fleet 3 Advanced Renewal	80402	AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM	11	08/01/2026	07/31/2031
Fleet 3 Advanced Renewal	80410	AXON EVIDENCE - STORAGE - FLEET 1 CAMERA UNLIMITED	22	08/01/2026	07/31/2031
OFFICER SAFETY PLAN T7 PLUS	101180	AXON TASER - DATA SCIENCE PROGRAM	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	102610	AXON COMMUNITY LINK	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	20248	AXON TASER - EVIDENCE.COM LICENSE	1	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	20248	AXON TASER - EVIDENCE.COM LICENSE	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	20370	AXON VR - USER ACCESS - FULL VR	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73447	AXON BODY - LICENSE - FUSUS LIVESTREAM	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73478	AXON EVIDENCE - REDACTION ASSISTANT USER LICENSE	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73638	AXON STANDARDS - LICENSE	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73682	AXON EVIDENCE - AUTO TAGGING LICENSE	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73683	AXON EVIDENCE - STORAGE - 10GB A LA CARTE	180	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73686	AXON EVIDENCE - STORAGE - UNLIMITED (AXON DEVICE)	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73739	AXON PERFORMANCE - LICENSE	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	73746	AXON EVIDENCE - ECOM LICENSE - PRO	18	08/01/2026	07/31/2036
Pro License Bundle	73683	AXON EVIDENCE - STORAGE - 10GB A LA CARTE	3	08/01/2026	07/31/2036
Pro License Bundle	73746	AXON EVIDENCE - ECOM LICENSE - PRO	1	08/01/2026	07/31/2036
A la Carte	102011	AXON AI ASSISTANT	18	08/01/2026	07/31/2036
Fleet 3 Advanced Renewal	80400	AXON EVIDENCE - FLEET VEHICLE LICENSE	11	08/01/2031	07/31/2036
Fleet 3 Advanced Renewal	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	11	08/01/2031	07/31/2036
Fleet 3 Advanced Renewal	80402	AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM	11	08/01/2031	07/31/2036
Fleet 3 Advanced Renewal	80410	AXON EVIDENCE - STORAGE - FLEET 1 CAMERA UNLIMITED	22	08/01/2031	07/31/2036

Services

Bundle	Item	Description	QTY
Fleet 3 Advanced Renewal	73392	AXON FLEET 3 - INSTALLATION - UPGRADE (PER VEHICLE)	11
Fleet 3 Advanced Renewal	73392	AXON FLEET 3 - INSTALLATION - UPGRADE (PER VEHICLE)	11
OFFICER SAFETY PLAN T7 PLUS	101184	AXON INVESTIGATE - TRAINING - OPERATOR AND EXAMINER	1
OFFICER SAFETY PLAN T7 PLUS	101193	AXON TASER - ON DEMAND CERTIFICATION	1
OFFICER SAFETY PLAN T7 PLUS	11642	AXON INVESTIGATE - THIRD PARTY VIDEO SUPPORT	18
OFFICER SAFETY PLAN T7 PLUS	20246	AXON TASER 7 - REPLACEMENT ACCESS PROGRAM - DUTY CARTRIDGE	18
OFFICER SAFETY PLAN T7 PLUS	80190	AXON EVIDENCE - CHANNEL SERVICES	1

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Fleet 3 Advanced Renewal	80495	AXON FLEET 3 - EXT WARRANTY - 2 CAMERA KIT	11	08/01/2026	07/31/2031
OFFICER SAFETY PLAN T7 PLUS	80464	AXON BODY - TAP WARRANTY - CAMERA	18	08/01/2026	07/31/2036
OFFICER SAFETY PLAN T7 PLUS	80465	AXON BODY - TAP WARRANTY - MULTI BAY DOCK	3	08/01/2026	07/31/2036
A la Carte	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	08/01/2026	07/31/2028
A la Carte	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	08/01/2026	02/29/2028
OFFICER SAFETY PLAN T7 PLUS	101686	AXON SIGNAL - EXT WARRANTY - SIGNAL SENSOR	18	07/01/2027	07/31/2036
Fleet 3 Advanced Renewal	80495	AXON FLEET 3 - EXT WARRANTY - 2 CAMERA KIT	11	08/01/2031	07/31/2036

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	686 G St	Crescent City	CA	95531-3738	USA

Payment Details

Jul 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 1	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 1	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 1	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 1	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$4,993.35	\$91.01	\$5,084.36
Annual Payment 1	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$4,993.35	\$91.01	\$5,084.36
Annual Payment 1	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 1	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 1	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$30,609.85	\$756.32	\$31,366.17
Annual Payment 1	ProLicense	Pro License Bundle	1	\$258.76	\$0.00	\$258.76
Transfer Value	100552	TRANSFER BALANCE - GOODS	1	\$33,849.37	\$2,792.57	\$36,641.94
Transfer Value	100553	TRANSFER BALANCE - SOFTWARE AND SERVICES	1	\$15,630.24	\$0.00	\$15,630.24
Total				\$90,334.92	\$3,730.91	\$94,065.83

Aug 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Invoice Upon Fulfillment	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$0.00	\$0.00	\$0.00
Invoice Upon Fulfillment	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$0.00	\$0.00	\$0.00
Total				\$0.00	\$0.00	\$0.00

Jul 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 2	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 2	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 2	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 2	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98
Annual Payment 2	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98
Annual Payment 2	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 2	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 2	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$69,366.72	\$1,713.94	\$71,080.66
Annual Payment 2	ProLicense	Pro License Bundle	1	\$586.39	\$0.00	\$586.39
Total				\$92,584.57	\$2,126.44	\$94,711.01

Jul 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 3	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 3	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 3	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 3	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98
Annual Payment 3	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98

Jul 2028						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 3	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 3	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 3	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$69,366.72	\$1,713.94	\$71,080.66
Annual Payment 3	ProLicense	Pro License Bundle	1	\$586.39	\$0.00	\$586.39
Total				\$92,584.57	\$2,126.44	\$94,711.01

Jul 2029						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 4	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 4	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 4	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 4	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98
Annual Payment 4	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98
Annual Payment 4	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 4	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 4	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$69,366.72	\$1,713.94	\$71,080.66
Annual Payment 4	ProLicense	Pro License Bundle	1	\$586.39	\$0.00	\$586.39
Total				\$92,584.57	\$2,126.44	\$94,711.01

Jul 2030						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 5	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 5	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 5	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 5	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98
Annual Payment 5	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$11,315.73	\$206.25	\$11,521.98
Annual Payment 5	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 5	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 5	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$69,366.72	\$1,713.94	\$71,080.66
Annual Payment 5	ProLicense	Pro License Bundle	1	\$586.39	\$0.00	\$586.39
Total				\$92,584.57	\$2,126.44	\$94,711.01

Jul 2031						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 6	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 6	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 6	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 6	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 6	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 6	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 6	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 6	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$91,780.14	\$2,267.76	\$94,047.90
Annual Payment 6	ProLicense	Pro License Bundle	1	\$775.86	\$0.00	\$775.86
Total				\$122,500.00	\$2,813.54	\$125,313.54

Aug 2031						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Invoice Upon Fulfillment	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$0.00	\$0.00	\$0.00
Total				\$0.00	\$0.00	\$0.00

Jul 2032

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 7	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 7	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 7	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 7	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 7	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 7	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 7	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 7	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$91,780.14	\$2,267.76	\$94,047.90
Annual Payment 7	ProLicense	Pro License Bundle	1	\$775.86	\$0.00	\$775.86
Total				\$122,500.00	\$2,813.54	\$125,313.54

Jul 2033

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 8	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 8	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 8	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 8	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 8	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 8	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 8	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 8	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$91,780.14	\$2,267.76	\$94,047.90
Annual Payment 8	ProLicense	Pro License Bundle	1	\$775.86	\$0.00	\$775.86
Total				\$122,500.00	\$2,813.54	\$125,313.54

Jul 2034

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 9	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 9	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 9	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 9	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 9	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.89	\$15,244.89
Annual Payment 9	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 9	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 9	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$91,780.14	\$2,267.76	\$94,047.90
Annual Payment 9	ProLicense	Pro License Bundle	1	\$775.86	\$0.00	\$775.86
Total				\$122,500.00	\$2,813.54	\$125,313.54

Jul 2035

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 10	102011	AXON AI ASSISTANT	18	\$0.00	\$0.00	\$0.00
Annual Payment 10	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	6	\$0.00	\$0.00	\$0.00
Annual Payment 10	73390	AXON FLEET - CRADLEPOINT ROUTER TRANSFERRED WARRANTY	5	\$0.00	\$0.00	\$0.00
Annual Payment 10	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.90	\$15,244.90
Annual Payment 10	Fleet3ARe	Fleet 3 Advanced Renewal	11	\$14,972.00	\$272.90	\$15,244.90
Annual Payment 10	H00002	AB4 Multi Bay Dock Bundle	2	\$0.00	\$0.00	\$0.00
Annual Payment 10	HWCNAB4	AB4 CONNECTED HARDWARE BUNDLE	18	\$0.00	\$0.00	\$0.00
Annual Payment 10	M00047	OFFICER SAFETY PLAN T7 PLUS	18	\$91,780.14	\$2,267.77	\$94,047.91
Annual Payment 10	ProLicense	Pro License Bundle	1	\$775.86	\$0.00	\$775.86

Jul 2035						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Total				\$122,500.00	\$2,813.57	\$125,313.57

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at <https://www.axon.com/sales-terms-and-conditions>), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Exceptions to Standard Terms and Conditions

Agency has existing contract(s) originated via Quote(s):
Q-355762, Q-457260, Q-459311, Q-655832, Q-701402,

Agency is terminating those contracts effective 8/1/2026. Any changes in this date will result in modification of the program value which may result in additional fees or credits due to or from Axon.

The parties agree that Axon is applying a Transfer Balance of \$49,479.61

Any credits contained in this quote are contingent upon payment in full of the following amounts:

Outstanding Invoice - INUS419847 - 2/1/2026 - \$3,950.04

Shipment Timing Shipment Variance. Estimated shipment dates are provided for planning purposes only and are not guarantees. Axon may ship hardware before or after the estimated shipment date, and failure to meet an estimated shipment date will not, by itself, constitute a breach, provided Axon uses commercially reasonable efforts to meet estimated shipment dates.

Refresh Shipment Timing Technology Assurance Plan (TAP) Refresh Prior to Renewal. For Customers with expiring agreements that include TAP refresh rights, Axon may, in its discretion, ship refresh hardware under the existing contract while renewal or replacement agreements are in progress. Any such shipments will be deemed made under the terms of the existing contract until the new contract is fully executed, after which any applicable updates, fees, or adjustments will apply.

Rewrite Estimates Estimated Amounts and Contract Terminations. Any amounts stated as due under existing or terminated contracts — including contract transfer balances carried forward to new or pending contracts — are estimates based on payments received as of the calculation date. These estimates may be adjusted if new contracts are not executed on the anticipated dates or if expected payments are not made.

Rewrite Estimates

Estimated Amounts and Contract Terminations. Any amounts stated as due under existing or terminated contracts — including contract transfer balances carried forward to new or pending contracts — are estimates based on payments received as of the calculation date. These estimates may be adjusted if new contracts are not executed on the anticipated dates or if expected payments are not made.

Refresh Shipment Timing

Technology Assurance Plan (TAP) Refresh Prior to Renewal. For Customers with expiring agreements that include TAP refresh rights, Axon may, in its discretion, ship refresh hardware under the existing contract while renewal or replacement agreements are in progress. Any such shipments will be deemed made under the terms of the existing contract until the new contract is fully executed, after which any applicable updates, fees, or adjustments will apply.

Shipment Timing

Shipment Variance. Estimated shipment dates are provided for planning purposes only and are not guarantees. Axon may ship hardware before or after the estimated shipment date, and failure to meet an estimated shipment date will not, by itself, constitute a breach, provided Axon uses commercially reasonable efforts to meet estimated shipment dates.

Signature

Date Signed

4/22/2026

