

AGENDA  
IRVINE RANCH WATER DISTRICT  
FINANCE AND PERSONNEL COMMITTEE MEETING  
TUESDAY, APRIL 7, 2020

*Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public may not attend this meeting in person.*

Participation by Committee Members will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online via Webex using the link and information below:

Via Web:

<https://irwd.my.webex.com/irwd.my/j.php?MTID=m60fc092c5c0696a9b221b123a27cec95>

Meeting Number: 629 280 886

Password: wVkCKBqn774

After joining the meeting, in order to ensure all persons can participate and observe the meeting, please select the "Call in" option and use a telephone to access the audio for the meeting shown.

Please enter the attendee id number, which will be provided when you connect to Webex, followed by #.

As courtesy to the other participants, please mute your phone when you are not speaking.

CALL TO ORDER 11:30 a.m., Committee Room, Second Floor, District Office  
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Chair: Peer Swan \_\_\_\_\_ Member: Steve LaMar \_\_\_\_\_

<u>ALSO PRESENT</u>	Paul Cook	_____	Cheryl Clary	_____
	Wendy Chambers	_____	Kevin Burton	_____
	Paul Weghorst	_____	Rob Jacobson	_____
	Eileen Lin	_____	Jenny Roney	_____
	Christopher Smithson	_____	Allen Shinbashi	_____
	Jennifer Davis	_____	Tanja Fournier	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

If you wish to address the Committee on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing [comments@irwd.com](mailto:comments@irwd.com) before 8:00 a.m. on Tuesday, April 7, 2020.

**ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.**

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## COMMUNICATIONS

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1. Notes: Clary
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced, which came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

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## INFORMATION

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5. EMPLOYEE POPULATION AND TURNOVER STATUS REPORT – SRADER / RONEY

Recommendation: Receive and file.

6. PERFORMANCE RECOGNITION PROGRAM QUARTERLY REPORT – HALL / RONEY

Recommendation: Receive and file.

7. MONTHLY INVESTMENT AND DEBT REVIEW – DAVIS / FOURNIER / JACOBSON / CLARY

Recommendation: Receive and file.

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## ACTION

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8. 2020 INDEX TENDER NOTES AMENDMENT – DAVIS / FOURNIER / JACOBSON / CLARY

Recommendation: That the Board approve the 2020 ITN Second Supplemental Indentures of Trust and adopt a resolution approving Second Supplemental Indentures of Trust for Refunding Series 2011A-1 and Refunding Series 2011A-2.

9. 230 COMMERCE AND WATERWORKS BUSINESS PARK OFFICE PROPERTY LISTING AGREEMENT EXTENSIONS – FOURNIER / JACOBSON / CLARY

Recommendation: That the Board approve new listing agreements for the 230 Commerce office property and Waterworks Business Park property with the brokerage team of Colliers International under previously agreed-upon commission terms and expiring on February 28, 2021.

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**ACTION - Continued**

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10. COVID-19 RESPONSE – COMMERCIAL INVESTMENT PROPERTIES  
LEASE PAYMENT DEFERRALS – FOURNIER / JACOBSON / CLARY

Recommendation: That the Board authorize staff to implement a lease deferral program for IRWD's commercial investment properties for a period of up to 90 days, without incurring late fees or interest, and repayment of deferred rent amortized not to exceed 12 months for tenants who request assistance due to impacts from the COVID-19 pandemic.

11. SERRANO SUMMIT / LENNAR PROMISSORY NOTE REQUEST TO  
EXTEND MATURITY – JACOBSON / CLARY

Recommendation: That the Board authorize the General Manager to execute an amendment to the current promissory note between IRWD and Lennar Homes of California for a seven-month extension to December 1, 2020, at the current interest rate of 4.00%, to be applicable to both the principal and accrued interest amount as of April 30, 2020, and including partial release provisions as stated.

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**OTHER BUSINESS**

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12. Directors' Comments

13. Adjournment

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

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April 7, 2020  
Prepared by: L. Srader  
Submitted by: J. Roney  
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND TURNOVER STATUS REPORT

SUMMARY:

Staff has prepared various population and turnover reports for Committee review.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

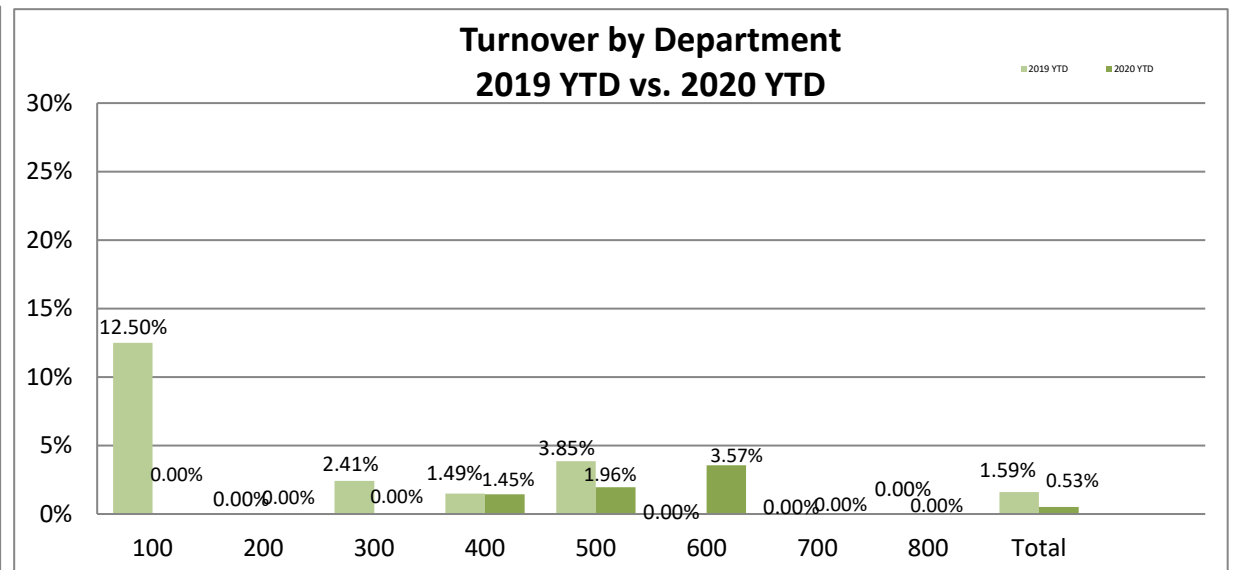
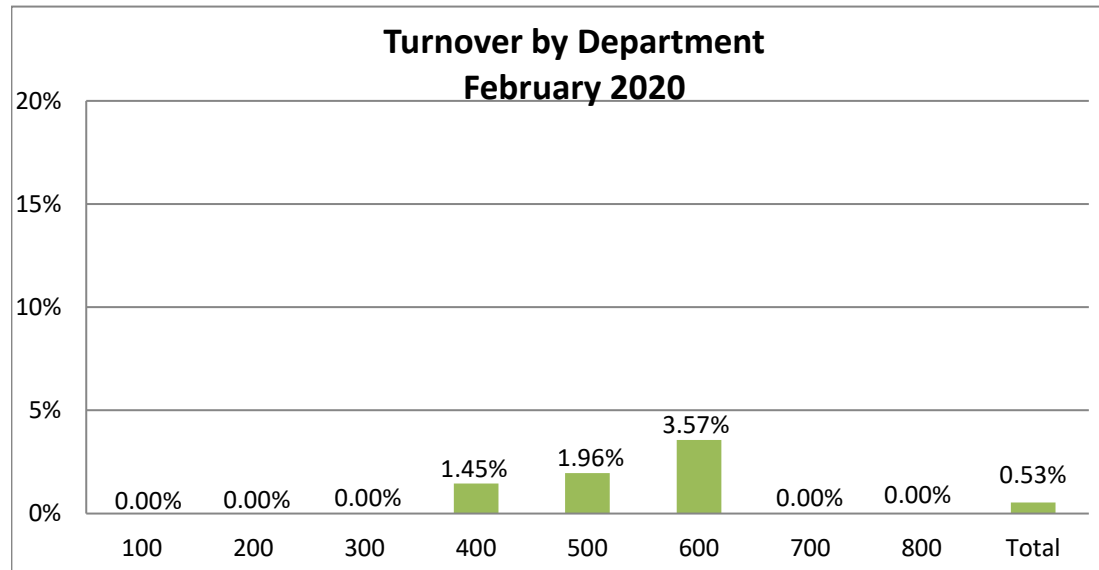
LIST OF EXHIBITS:

Exhibit "A" – Employee Population/Turnover Status Report

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**EXHIBIT A**  
**IRVINE RANCH WATER DISTRICT**  
**EMPLOYEE POPULATION STATUS REPORT**  
**February 2020**

	@02/01/20	Current Month Activity							@02/29/20		FY 19/20	Avg FYTD	Avg FYTD	Avg FYTD	Internal Turnover		External Turnover	
Dept	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	Budgeted Positions*	Filled Budget Positions	Temp Emp FTE	Total Filled Positions	Current Period	2020 YTD	Current Period	2020 YTD
			Vol	Invol	In	Out	In	Out							Period	YTD	Period	YTD
100	15.0								15.0	1	16.0	15.3	0.7	16.0	0.00%	0.00%	0.00%	0.00%
200	85.0	2							87.0	2	89.0	80.7	6.7	87.3	0.00%	0.00%	0.00%	0.00%
300	42.0								42.0	2	44.0	41.9	4.1	46.0	0.00%	0.00%	0.00%	0.00%
400	69.0								69.0	3	72.0	66.8	3.3	70.2	0.00%	0.00%	0.00%	1.45%
500	51.0								51.0	8	59.0	51.4	3.1	54.5	0.00%	0.00%	0.00%	1.96%
600	28.0								28.0	2	30.0	23.3	3.1	26.5	0.00%	0.00%	0.00%	3.57%
700	34.0								34.0	1	35.0	37.3	3.7	41.0	0.00%	0.00%	0.00%	0.00%
800	55.0								55.0	6	61.0	55.4	0.6	56.1	0.00%	0.00%	0.00%	0.00%
Totals	379	2	0	0	0	0	0	0	381.0	25	406.0	372.3	25.3	397.6	0.00%	0.00%	0.00%	0.53%
1/19	374	8	1	1	0	0	7	7	380	15	395.0	367.0	30.6	397.6	0.00%	0.00%	0.53%	0.53%

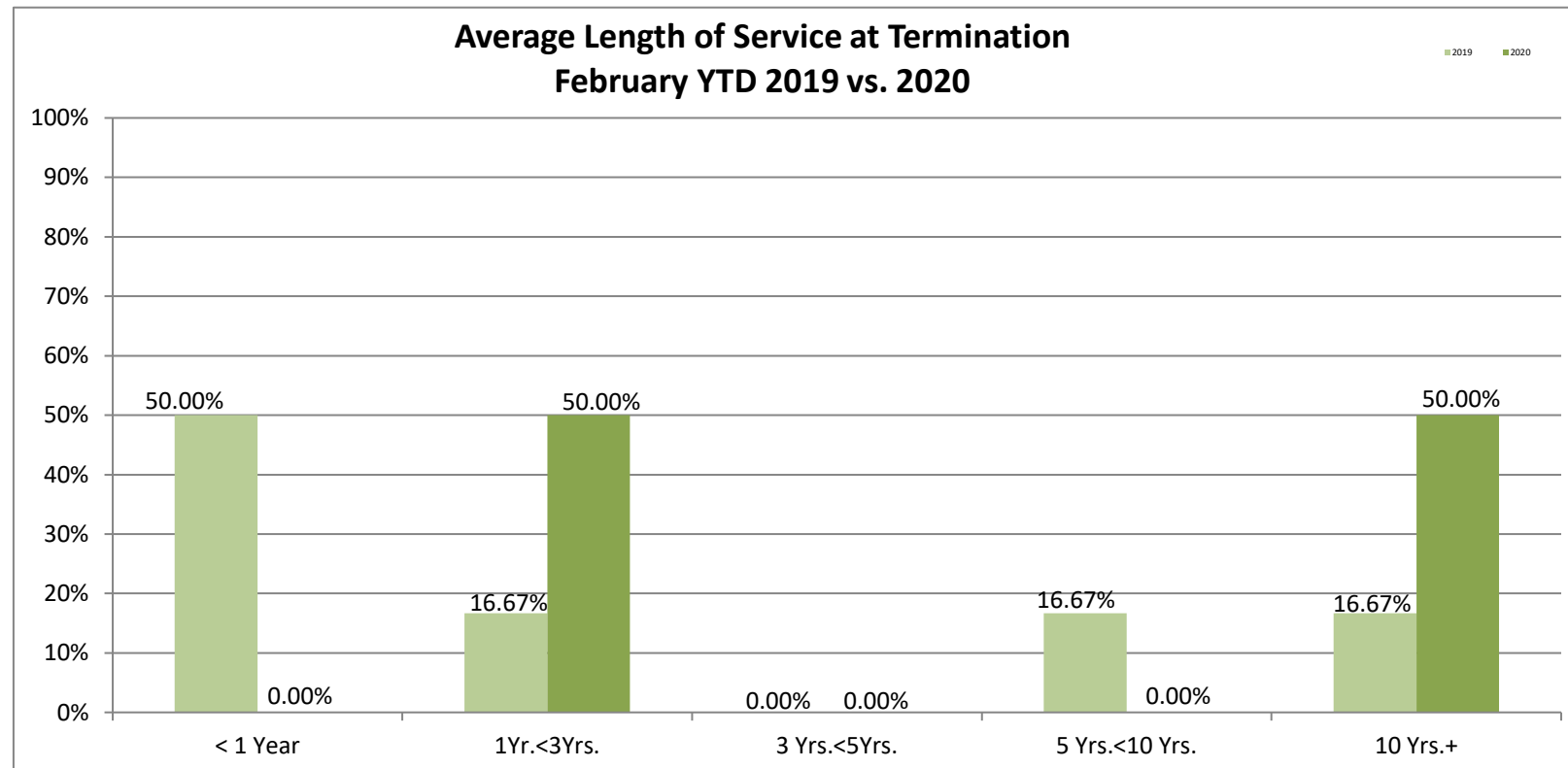


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Recyc. Water and Public Affairs; 800-Adm. & Maintenance Ops

**IRVINE RANCH WATER DISTRICT  
TURNOVER LONGEVITY RATIO  
February 2020**

Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Turnover Longevity Ratio				
														< 1 Year	1Yr.<3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
100													0					
200													0					
300													0					
400													0					
500	1												1		1			
600	1												1					1
700													0					
800													0					
2020 Total	2	0	0	0	0	0	0	0	0	0	0	0	2	0	1	0	0	1
2019 Data	2	4	1	1	2	1	3	1	0	4	2	4	25					
Percentage of Total Turnover														0.00%	50.00%	0.00%	0.00%	50.00%

2020 Average YTD Length of Service at Termination	10.42 Years
2019 Average YTD Length of Service at Termination	9.21 Years
2018 Average YTD Length of Service at Termination	13.85 Years
2017 Average YTD Length of Service at Termination	14.35 Years
2016 Average YTD Length of Service at Termination	12.43 Years



**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
February 2020**

NEW HIRES				
Hire	Dept	Employee Name	Position	Comments
02/03/20	240	Eric Ramirez	Material Control Clerk I	
02/04/20	240	Miguel Lopez	Material Control Clerk I	

TERMINATIONS					
Termination Date	Dept	Employee Name	Position	Reason	Comments

RETIREMENTS					
Effective Date	Departing Dept	Employee Name	Position	Reason	Comments

PROMOTIONS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
02/08/20	570	Allan Rutherford	Collection Systems Technician I	570	Collection Systems Technician II
02/08/20	570	Brandon Joseph	Collection Systems Technician I	570	Collection Systems Technician II

TRANSFERS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position

CROSS TRAINING					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
02/08/20	425	Doug Rock	Metering Systems Technician II	710	Recycled Water Specialist

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
February 2020**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	Safety Specialist	U29.N	Recruiting
200	Purchasing Coordinator	19.N	Recruiting
200	User Support Administrator	U33.N	Offer pending
300	Engineer	U17.E	Recruiting
300	Engineer	U17.E	Recruiting
400	Metering Systems Technician I	22.N	Recruiting
400	Water Maintenance Technician I	22.N	
400	Construction Services Manager	U18.E	
500	Process Specialist	32.N	
500	Collection Systems CCTV Technician	21.N	
500	Operator III	29.N	Recruiting
500	Operator III	29.N	Recruiting
500	Operator III	29.N	Recruiting
500	Operator I	20.N	
500	Operator III	29.N	
500	Operator II	27.N	Recruiting
600	Laboratory Supervisor	U13.E	Recruiting
600	Regulatory Compliance Administrator	U12.E	Recruiting
700	Recycled Water Specialist	24.N	
800	Asset Systems Manager	U17.E	
800	Sr. Electrical Technician	30.N	
800	Electrical Technician	28.N	
800	Maintenance Mechanic	22.N	Recruiting
800	Sr. Maintenance Mechanic	27.N	
800	Maintenance Mechanic	22.N	

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
February 2020**

LEAVE OF ABSENCE					
Type of Leave	Pay Status	Date Leave Began	Anticipated Return Date	Current Length	Comments
WC/FMLA/CFRA	SDI	9/9/2019		6 months	
FMLA/CFRA	SDI	1/27/2020	3/9/2020	1 month	
FMLA/CFRA	SDI	1/23/2020	3/9/2020	1 month	
FMLA/CFRA	SDI	9/23/2019	3/2/2020	5 months	
WC/FMLA/CFRA	SDI	2/3/2020		3 weeks	

Leave	Original Status	Date Leave Began	Return Date	Length	Return Date	Comments
FMLA/CFRA/PFL	SDI	10/25/2018	1/2/2019	2 month	01/14/19	Returned
FMLA/CFRA/PFL	SDI	12/19/2018	1/21/2019	2 weeks	01/21/19	Returned
FMLA/CFRA/PFL	SDI	12/19/2018	1/24/2019	2 weeks	01/21/19	Returned
FMLA/CFRA/PFL	SDI	12/18/2018	1/8/2019	2 weeks	01/08/19	Returned
FMLA/CFRA/PFL	SDI	12/17/2018	1/7/2019	2 weeks	01/07/19	Returned
FMLA/CFRA	SDI	7/23/2018	2/1/2019	6 months	02/01/19	Returned
FMLA/CFRA	SDI	12/17/2018	1/2/2019	2 weeks	01/02/19	Returned
FMLA/CFRA/PFL	SDI	12/17/2018	1/7/2019	2 weeks	01/07/19	Returned
FMLA/CFRA	SDI	1/24/2019	2/26/2019	2 months	03/12/19	Returned
FMLA/CFRA	SDI	1/11/2019	4/16/2019	3 months	04/16/19	Returned
FMLA/CFRA	SDI	3/30/2019	4/11/2019	1 week	04/09/19	Returned
FMLA/CFRA	SDI	1/9/2019	3/5/2019	4 months	04/02/19	Returned
FMLA/CFRA	SDI	9/9/2019	43773	2 months	11/04/19	Returned
FMLA/CFRA	SDI	3/30/2019	10/28/2019	7 months	10/28/19	Returned
FMLA/CFRA	SDI	9/3/2019	10/28/2019	2 months	10/28/19	Returned
FMLA/CFRA	PFL	9/23/2019	11/4/2019	2 months	11/04/19	Returned
FMLA/CFRA	SDI	7/2/2019	11/29/2019	5 months	11/29/19	Retired
FMLA/CFRA	SDI	9/30/2019	12/1/2019	3 months	12/30/19	Returned
FMLA/CFRA	SDI	10/7/2019	2/10/2020	4 months	02/03/20	Returned
FMLA/CFRA	SDI	7/9/2019	12/1/2019	7 months	12/01/19	Returned
FMLA/CFRA	SDI	9/2/2019	2/17/2020	5 months	02/03/20	Returned
FMLA/CFRA	SDI	12/10/2019	2/6/2020	2 months	02/10/20	Returned
FMLA/CFRA	SDI	12/2/2019	2/3/2020	2 months	02/03/20	Returned

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT**

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	14 years, 6 months	X		Other employment - Metropolitan Water
	1 year, 4 months	X		Other employment
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				



**IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
February 2020**

ACTIVE											
Current Month	FYTD Ave Hours Worked	PERS Enroll-ment	Agency		Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.42	0.20	Yes		130	47.75	84	4,011.00	9	4	16,044.00	13,244.66
0.80	0.29	No		140	37.15	168	6,241.20	7	3	18,723.60	14,887.86
<b>1.21</b>	<b>0.49</b>			<b>100</b>							
0.77	0.99	Yes		200	23.75	168	3,990.00	12	8	31,920.00	33,071.88
0.01	0.01	Yes		200	56.55	84	4,750.20	12	8	38,001.60	565.50
0.89	0.82	Yes		200	23.50	84	1,974.00	12	8	15,792.00	26,907.50
0.86	0.88	No		200	23.75	168	3,990.00	12	8	31,920.00	28,962.83
0.82	0.88	No	X	200	34.17	168	5,740.56	2	3	17,221.68	10,558.53
0.88	0.87	No		200	22.22	168	3,732.96	12	8	29,863.68	26,724.88
0.88	0.88	No		200	22.22	168	3,732.96	12	8	29,863.68	27,200.84
<b>5.11</b>	<b>5.33</b>			<b>200</b>							
0.85	0.86	Yes		300	37.44	84	3,144.96	12	8	25,159.68	44,628.48
0.20	0.43	EXC		300	18.00	84	1,512.00	12	8	12,096.00	10,746.00
0.37	0.43	Yes		300	72.97	84	6,129.48	6	8	49,035.84	43,599.58
0.25	0.38	EXC		300	17.00	84	1,428.00	12	8	11,424.00	9,069.50
0.23	0.35	EXC		300	17.00	84	1,428.00	12	8	11,424.00	8,177.00
0.23	0.40	EXC		300	17.00	84	1,428.00	12	8	11,424.00	9,401.00
0.39	0.31	EXC		300	15.00	84	1,260.00	9	5	6,300.00	6,465.00
0.97	0.92	EXC		300	37.44	84	3,144.96	12	8	25,159.68	47,960.64
<b>3.50</b>	<b>4.09</b>			<b>300</b>							
1.00	0.99	Yes		400	23.75	168	3,990.00	12	8	31,920.00	33,193.00
0.87	0.94	Yes		400	23.75	168	3,990.00	12	8	31,920.00	31,219.38
1.00	0.94	Yes		400	22.23	168	3,734.64	6	8	29,877.12	29,788.20
0.98	0.47	No	X	400	31.51	168	5,293.68	9	6	31,762.08	20,859.62
<b>3.85</b>	<b>3.33</b>			<b>400</b>							
0.69	0.55	No		500	31.84	168	5,349.12	9	6	32,094.72	24,238.20
0.85	0.99	Yes		500	32.53	168	5,290.32	12	8	42,322.56	43,920.68
<b>1.54</b>	<b>0.55</b>			<b>500</b>							
0.19	0.40	EXC		600	15.00	84	1,260.00	6	2	2,520.00	8,362.50
0.93	0.37	No	X	600	43.84	168	7,365.12	8	4	29,460.48	22,727.53
0.82	0.13	No	X	600	43.83	168	7,363.44	5	3	22,090.32	7,977.06
0.41	0.05	No	X	600	52.00	168	8,736.00	2	3	26,208.00	3,692.00
0.33	0.33	EXC		600	15.00	84	1,260.00	12	8	10,080.00	6,967.50
0.34	0.47	EXC		600	15.00	84	1,260.00	12	8	10,080.00	9,742.50
0.78	0.31	No	X	600	52.00	168	8,736.00	5	5	43,680.00	22,069.84
0.20	0.39	EXC		600	15.00	84	1,260.00	12	8	10,080.00	8,107.50
<b>4.01</b>	<b>2.45</b>			<b>600</b>							
0.89	0.90	Yes		700	30.71	84	2,579.64	12	8	20,637.12	38,379.82
0.87	0.35	No	X	700	43.53	168	7,313.04	8	4	29,252.16	21,003.23
0.87	0.91	yes		700	30.71	168	5,159.28	12	8	41,274.24	38,986.35
0.46	0.72	No	X	700	31.00	168	5,208.00	12	8	41,664.00	31,124.00
<b>3.09</b>	<b>2.89</b>			<b>700</b>							
1.00	0.53	No	X	800	40.82	168	6,857.76	11	5	34,288.80	31,043.61
0.86	0.11	No	X	800	41.82	168	7,025.76	5	2	14,051.52	6,231.18
<b>1.86</b>	<b>0.64</b>			<b>800</b>							
<b>24.16</b>	<b>19.76</b>										

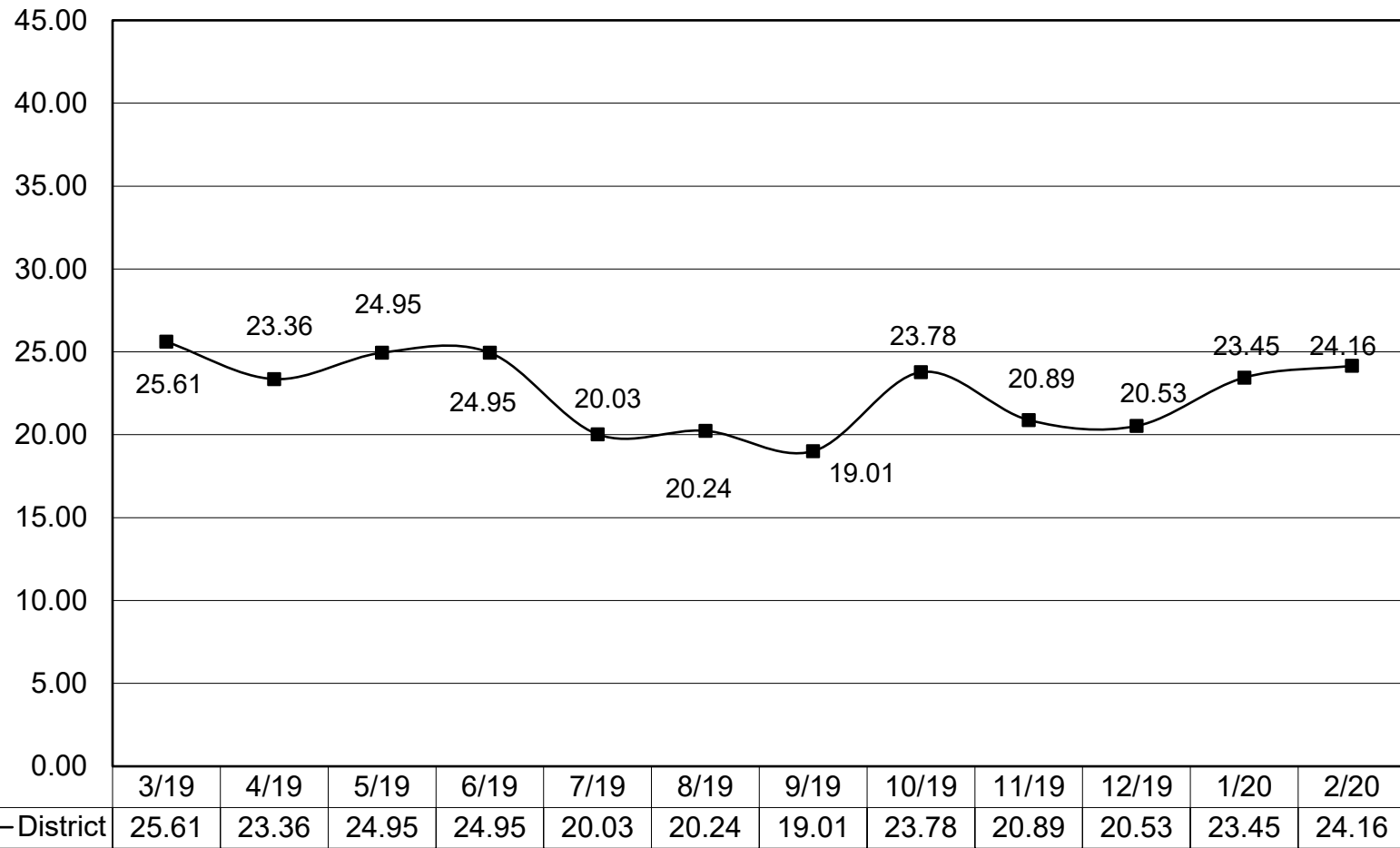
**IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
February 2020**

**TERMINATED**

<b>Current Month FTE</b>	<b>Avg FYTD Temp Emp FTE</b>	<b>Active PERS Y/N *</b>	<b>Agency</b>	<b>Dept</b>	<b>Hourly Rate</b>	<b>Est Hours per Month</b>	<b>Est Cost Per Month</b>	<b>Expected Duration (Months)</b>	<b>Actual Worked (Months)</b>	<b>Projected Cost FYTD</b>	<b>Actual Cost FYTD</b>
0.63	0.12	No	X		27.87	168	4,682.16	3	1		
0.46	0.06	No	X	140	37.15	168	6,241.20	3	1	6,241.20	2,953.43
<b>0.46</b>	<b>0.06</b>			<b>100</b>							
0.18	0.39	EXC		200	15.00	84	1,260.00	12	1	1,260.00	2,010.00
0.81	0.73	No	X	200	29.36	168	4,932.48	9	7	34,527.36	29,820.66
0.41	0.86	No	X	200	29.05	168	4,880.40	7	7	34,162.80	37,481.76
<b>1.40</b>	<b>1.98</b>			<b>200</b>							
<b>0.00</b>	<b>0.00</b>			<b>300</b>							
<b>0.00</b>	<b>0.00</b>			<b>400</b>							
0.34	0.67	Yes		500	29.03	84	2,438.52	12	6	14,631.12	23,790.09
<b>0.34</b>	<b>0.67</b>			<b>500</b>							
0.65	0.68	Yes		600	30.28	168	5,087.04	12	3	15,261.12	17,819.78
<b>0.65</b>	<b>0.68</b>			<b>600</b>							
0.53	0.78	No	X	700	31.00	168	5,208.00	12	5	26,040.00	25,722.25
<b>0.53</b>	<b>0.78</b>			<b>700</b>							
<b>0.00</b>	<b>0.00</b>			<b>800</b>							
<b>3.37</b>	<b>4.17</b>									1,048,760.16	941,403.31

EXC = Exclude from PERS enrollment  
Yes= Temporary employee enrolled in PERS Membership  
No=Temporary Agency employee  
\*Data reported 30 days in arrears

# **Temporary Employees** **Full Time Equivalency** **District Totals as of February 29, 2020**



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April 7, 2020

Prepared by: A. Hall

Submitted by: J. Roney

Approved by: Paul Cook



## FINANCE AND PERSONNEL COMMITTEE

### PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE

#### SUMMARY:

IRWD's Performance Recognition Program recognizes employees who exhibit outstanding performance which depicts initiative, creativity and/or enthusiasm above and beyond the performance requirements of their positions and in alignment with the values of IRWD. Provided is an update of activities within this program through the third quarter of Fiscal Year 2019-20.

#### BACKGROUND:

During the third quarter of FY 2019-20, there were 28 Performance Recognition Awards totaling \$3,018.00 distributed to 105 IRWD employees. The awards recognized staff in the Engineering, Water Resources and Policy, Maintenance Operations, Administration, Water Operations, and Finance and Administration Departments. As of March 2020, the fiscal year overall Performance Recognition Awards totaled \$11,330.00. Provided as Exhibit "A" is a summary of the Performance Recognition Awards for the third quarter of FY 2019-20.

#### FISCAL IMPACTS:

The District's annual budget for FY 2019-20 is \$157,000 for this program of which \$11,330.00 has been distributed for awards to date.

#### RECOMMENDATION:

Receive and file.

#### LISTS OF EXHIBITS:

Exhibit "A" – Quarterly Update for Third Quarter of FY 2019-2020

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## EXHIBIT A

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2019-2020			
			Q3 January - March 2020			
3rd Qtr.	1/2/2020	Rhoda Rilloraza	Recognized for their initiative and accountability in ensuring that water quality samples	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	"	Jacob Broderick	were properly tested and accounted for inspite of short time-lines and holiday closures.		\$28.00	\$28.00
	1/2/2020	John Hayes	Recognized for their efforts in conducting critical water quality compliance sampling and	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	"	Frank Soto	testing, resulting in the collection of 132 different sampling locations and performance	"	\$28.00	\$28.00
	"	Peter Wang	for 1,016 analyses.	"	\$28.00	\$28.00
	"	Linda Orozco		"	\$28.00	\$28.00
	"	Jason La		"	\$28.00	\$28.00
	"	Bernardino Ordonez		"	\$28.00	\$28.00
	"	Dave Chia		"	\$28.00	\$28.00
	"	Gregg Danielson		"	\$28.00	\$28.00
	"	Tammy Do		"	\$28.00	\$28.00
	"	Devon Morse		"	\$28.00	\$28.00
	"	Anthony Rodriguez		"	\$28.00	\$28.00
	1/3/2020	Alan Aguilar	Recognized for going above and beyond assisting a local resident with putting air in her	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
			tires at the gas station.			
	1/3/2020	Janice Yuson	Recognized for her efforts providing assistance in resolving a customer payment in	2 Tickets & 1 Gift Card	\$28.00	\$28.00
			CC&B and ensuring the payment posted in a timely manner.			
	1/8/2020	Jennifer Davis	Recognized for her consistent support and over-and-above assistance during the District's	2 Tickets & 1 Gift Card	\$28.00	\$28.00
			transition to a new bank.			
	1/8/2020	Joseph Sciabica	Recognized for his efforts in providing the van pool fuel report in the absence of his manager.	4 Gift Cards	\$20.00	\$20.00
	1/14/2020	Ryan Arbogast	Recognized for their efforts identifying and repairing a water leak in a chemical	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	"	Drew Lopez	containment system, thus preventing a possible overflow, which would have resulted in an			
			environmental issue and clean-up costs for the District.			
	1/15/2020	Mariaelena Teran	Recognized for her efforts assisting with the District credit card audit project.	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	1/15/2020	Eric Flotho	Recognized for his swift responsiveness on inquiries related to computer issues and his	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
			pleasant demeanor, no matter how minor it might seem.			
	1/15/2020	Sophia Phoung	Recognized for her efforts with the completion of the 2020 W4 Employee Withholding	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
			form that was released by Oracle in the 3rd week of December. She had a very short time-			
			line to complete the research, testing, implementation and training for her team.			
	1/15/2020	Marie Bowers	Recognized for taking on extra work assignments during the extended absence of an HR staff	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	"	Jeffrey Hopkins	member.	"	\$28.00	\$28.00
	1/20/2020	Noah Fehser	Recognized for taking on additional work for a week in the absence of a co-worker.	2 Tickets & 2 Gift Cards	\$28.00	\$28.00

## EXHIBIT A

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2019-2020			
			Q3 January - March 2020			
3rd Qtr.	1/23/2020	Krishna Chilukiri	Recognized for providing on-going support for Oracle based projects in the Purchasing department.	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	1/24/2020	Vladimir Li	Recognized for his efforts in reviewing and validating the merit increase verification report.	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	1/29/2020	Janice Yuson	Recognized for her efforts, hard work, commitment to her own personal training and development with a great attitude.	2 Gift Cards	\$20.00	\$20.00
	1/29/2020	Jacob Moeder	Recognized for his outstanding efforts and management of the Sewage Treatment Master Plan Board Update.	Payroll Check	\$250.00	\$243.87
	2/4/2020	Kelly Lew	Recognized for their efforts in meeting homeowner move-in commitments by providing	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	"	Shana Llewelyn	prompt inspections and expediting phase release letters, as described in the thank you letter from	"	\$28.00	\$28.00
	"	Dilcia Jackson	KB Homes Regional Manager Steve Ruffner.	"	\$28.00	\$28.00
	"	Lizbhet Reyes		"	\$28.00	\$28.00
	"	Natalie Castaneda		"	\$28.00	\$28.00
	"	Belisario Rios		"	\$28.00	\$28.00
	"	Bradley Jackson		"	\$28.00	\$28.00
	"	Garrick Frost		"	\$28.00	\$28.00
	"	Jason Ludwig		"	\$28.00	\$28.00
	"	Jeffrey Shreck		"	\$28.00	\$28.00
	"	Timothy Koenig		"	\$28.00	\$28.00
	"	Cody Cariker		"	\$28.00	\$28.00
	2/11/2020	Linda Orozco	Recognized for her efforts in reporting a sanitary sewer overflow to the State Water Board, thereby ensuring the District fulfilled state mandated reporting deadlines during a staffing shortage.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	2/11/2020	Rudolfo Perez	Recognized for his efforts taking on the "Stretch Project" in leading the District's preparation of the EPA and State Water Board audit of IRWD facilities.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	2/13/2020	Deniene Rivenburg	Recognized for her outstanding writing skills and above-and-beyond information gathering. Her ability to synthesize and explain the work teams accomplished has allowed the District to present a clear case for recognition by the awarding agencies.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	2/13/2020	Matthew Shapiro	Recognized for their timely response to a recent 10" domestic water line break requiring	1 Gift Card	\$30.00	\$30.00
	"	Reynaldo Valencia	repairs, clean up of rocks and mud. This required the setup of temporary traffic controls, and	"	\$30.00	\$30.00
	"	Earl DeCastro	installing high-lines to customers inorder to restore the water service as quickly as possible.	"	\$30.00	\$30.00
	"	Robert Estrada		"	\$30.00	\$30.00
	"	Todd Colvin		"	\$30.00	\$30.00
	"	Steven Donnelly		"	\$30.00	\$30.00
	"	Jerry Whittaker		"	\$30.00	\$30.00



## EXHIBIT A

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2019-2020			
			Q3 January - March 2020			
3rd Qtr.	"	James Reed		"	\$30.00	\$30.00
	"	Jeremy Spencer		"	\$30.00	\$30.00
	"	Miguel Ramirez		"	\$30.00	\$30.00
	"	Bailey Hall		"	\$30.00	\$30.00
	"	Kyle Richardson		"	\$30.00	\$30.00
	"	Matthew Janelli		"	\$30.00	\$30.00
	"	Joshua Leonard		"	\$30.00	\$30.00
	"	Tyler Trigg		"	\$30.00	\$30.00
	"	Brian Cortez		"	\$30.00	\$30.00
	"	Michael Kulick		"	\$30.00	\$30.00
	"	Gustavo Orozco		"	\$30.00	\$30.00
	"	Eric Olivolo		"	\$30.00	\$30.00
	"	Juan Guzman		"	\$30.00	\$30.00
	"	Cody Bill		"	\$30.00	\$30.00
	"	Omar Escobar		"	\$30.00	\$30.00
	"	Marco Cano		"	\$30.00	\$30.00
	"	Allan Rutherford		"	\$30.00	\$30.00
	"	Jose Silva		"	\$30.00	\$30.00
	"	Joaquin Avalos		"	\$30.00	\$30.00
	"	Henry Solis		"	\$30.00	\$30.00
	"	Brandon Joseph		"	\$30.00	\$30.00
	"	Harry Yanes		"	\$30.00	\$30.00
	2/13/2020	Javier Tobar	Recognized for their outstanding efforts on implementing the CC&B lockbox project	Payroll Check	\$100.00	\$97.55
	"	Jennifer Davis	with Wells Fargo Bank.	"	\$100.00	\$97.55
	"	James Reed		"	\$100.00	\$97.55
	2/19/2020	Dave McCarter	Recognized for their efforts going above-and-beyond installing test pilot filter systems,			
	"	Eric Olivolo	ensuring success for the San Joaquin Reservoir Filtration Pilot project.	3 Gift Cards	\$25.00	\$25.00
	"	James Lassalette		"	\$25.00	\$25.00
	"	Carlos Collazo		"	\$25.00	\$25.00
	"	Cody Bill		"	\$25.00	\$25.00
	"	Michael Kulick		"	\$25.00	\$25.00
	"	Brian Cortez		"	\$25.00	\$25.00
	"	Robert Estrada		"	\$25.00	\$25.00
	"	Juan Guzman		"	\$25.00	\$25.00
	"	Richard Olson		"	\$25.00	\$25.00
	"	Elias Rios		"	\$25.00	\$25.00
	"	Albert Leon		"	\$25.00	\$25.00
	"	Nicholas Cook		"	\$25.00	\$25.00
	"	Jonathan Villata		"	\$25.00	\$25.00
	"	Ethan Fike		"	\$25.00	\$25.00
	"	Chris Lum		"	\$25.00	\$25.00

## EXHIBIT A

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2019-2020			
			Q3 January - March 2020			
3rd Qtr.	"	George Sanchez		"	\$25.00	\$25.00
	"	Rusty Harlow		"	\$25.00	\$25.00
	"	Nicholas Korneff		"	\$25.00	\$25.00
	2/26/2020	Eric Akiyoshi	Recognized for their efforts in fulfilling requests for the updated flow schematics for DAT	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Joseph McGehee	and PTP to facilitate joint inspection/audit with the EPA and DDW.	"	\$28.00	\$28.00
	3/4/2020	Marco Cano	Recognized for their efforts going above and beyond their normal duties to install a 2' inch	3 Gift Cards	\$25.00	\$25.00
	"	Reynaldo Valencia	pilot filter systems to test at the San Joaquin Reservoir for the design project, ensuring the	"	\$25.00	\$25.00
	"	Gustavo Orozco	system was operational.	"	\$25.00	\$25.00
	"	Matthew Shapiro		"	\$25.00	\$25.00
	3/6/2020	Casey King	Recognized for his extraordinary service in the joint audit with the DDW and EPA Joint	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
			Sanitary Inspection of IRWD's portable distribution systems. Casey was the designated			
			operator, who climbed up and down 14 of 18 reservoirs, taking photos for inspectors.			
			Additionally, he also made the necessary repairs while on site at the reservoirs.			
	3/8/2020	Franklin Soto	Recognized for his efforts during the absence of a co-worker, by coming in early during	2 Tickets & 1 Gift Card	\$28.00	\$28.00
			the EPA/DDW audit. He dedicating himself to six full days in the field with the audit team,			
			simultaneously managing his regulatory program workload for Pre-treatment and Fog,			
			ensuring the programs would not fail during this time.			
	3/10/2020	Joe Garcia	Recognized for his efforts in implementing a more cost effective process by assembling	2 Tickets & 1 Gift Card	\$28.00	\$28.00
			kits, utilizing supplies from our warehouse to check feedwater quality at the Reverse			
			Osmosis Plants prior to startup.			
	3/13/2020	Dawn Jordan	Recognized for her quick response to customers with regard to the closure of our public	2 Tickets & 1 Gift Card	\$28.00	\$28.00
			meeting facilities, as precautionary 'social-distancing' measures in light of COVID 19.			
Awards 28	Recipients 105		Third Quarter Total		\$3,298.00	\$3,284.52
			FISCAL YEAR TO DATE TOTAL		\$11,330.00	\$10,639.72

April 7, 2020

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### MONTHLY INVESTMENT AND DEBT REVIEW

#### SUMMARY:

The following items are submitted for the Committee's review and consideration:

- The Investment Portfolio Summary Report as of March 30, 2020, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of March 30, 2020, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of March 30, 2020, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of March 30, 2020, as outlined in Exhibit "D".

#### BACKGROUND:

##### Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for March 2020 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 1.97%, which is a 0.04% decrease from February's rate of 2.01%. The decrease is due to reinvestment at lower interest rates. Including real estate investments, the weighted average rate of return for the District's investment portfolio for March 2020 is estimated to be 4.07%, which is a 0.02% decrease from February's rate of 4.09%.

##### Debt Portfolio:

As of March 30, 2020, the District's weighted average all-in variable rate was 3.04%, which was a 1.74% increase from February's rate of 1.30% due to higher interest rates in the variable rate debt market. Including the District's weighted average fixed rate bond issues of 3.69% and the previous month's negative cash accruals from fixed payer interest rate swaps, which hedge a portion of the District's variable rate debt, the total average debt rate was 3.75%, a 0.65% increase from February's rate of 3.10%.

#### FISCAL IMPACTS:

Fiscal impacts are outlined above and included in the attached exhibits.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Investment Portfolio Summary as of March 30, 2020

Exhibit “B” – Yield Curve as of March 30, 2020

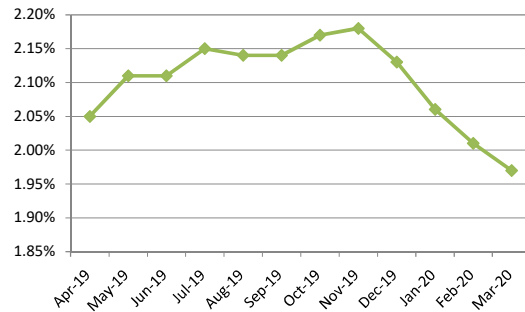
Exhibit “C” – Summary of Fixed and Variable Debt as of March 30, 2020

Exhibit “D” – Summary of Variable Rate Debt Rates as of March 30, 2020

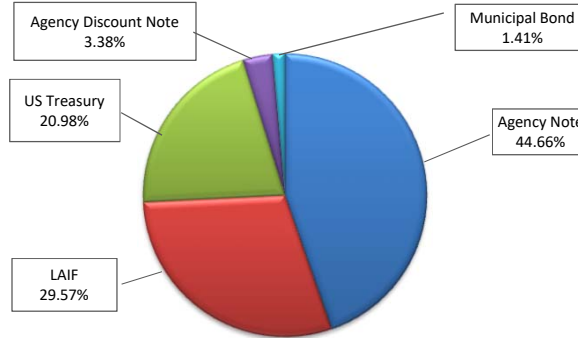
Exhibit "A"

## Irvine Ranch Water District Investment Portfolio Summary March 2020

Monthly Fixed Income Yield



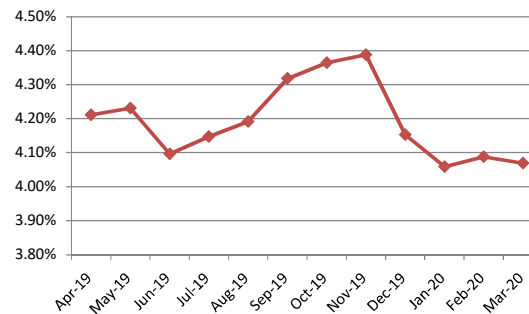
Portfolio Distribution



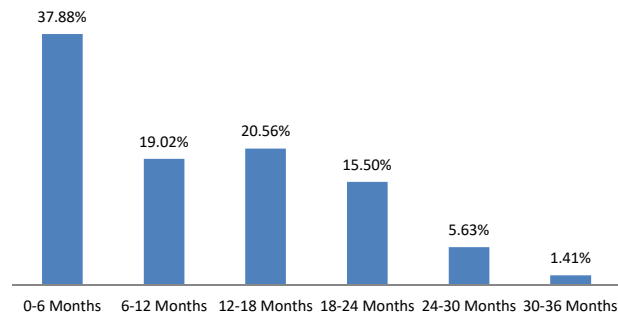
Investment Summary

Type	PAR	Book Value	Market Value
Agency Note	158,550,000	158,537,784	159,910,142
US Treasury	105,000,000	105,105,811	106,415,211
LAIF	74,500,000	74,500,000	74,631,887
Agency Discount Note	12,000,000	11,964,994	11,962,079
Municipal Bond	5,000,000	5,000,000	5,000,000
Grand Total	355,050,000	355,108,589	357,919,319

Weighted Average Return  
Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	105,000,000	29.57%
State of California Tsy.	74,500,000	20.98%
Fed Natl Mortgage Assoc	38,550,000	10.86%
Fed Home Loan Mortgage Corp	30,000,000	8.45%
Fed Home Loan Bank	47,000,000	13.24%
Fed Farm Credit Bank	55,000,000	15.49%
EASWTR	5,000,000	1.41%
Grand Total	355,050,000	100.00%

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

03/30/20

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 3/30/2020	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
08/23/17			03/31/20		LAIF	State of California Tsy.	\$74,500,000		1.800%	\$74,500,000.00	\$74,500,000.00	74,631,887.20	131,887.20
12/20/18	NA	NA	03/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.250%	2.665%	9,948,000.00	9,998,663.81	10,006,300.00	7,636.19
10/03/17	NA	NA	04/20/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.375%	1.630%	4,968,350.00	4,999,353.39	4,999,050.00	(303.39)
06/29/18	NA	NA	04/23/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.500%	2.544%	4,996,000.00	4,999,987.58	5,007,100.00	7,112.42
06/29/18	NA	NA	05/15/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.566%	4,998,450.00	4,999,900.58	5,013,900.00	13,999.42
12/04/19	NA	NA	05/28/20	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.625%	1.582%	5,025,000.00	5,008,096.59	5,015,150.00	7,053.41
06/11/18	NA	NA	06/11/20	Aaa/NR/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.570%	4,997,100.00	4,999,718.33	5,020,400.00	20,681.67
11/10/17	NA	NA	06/22/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.750%	4,968,000.00	4,999,478.59	5,002,700.00	3,221.41
04/19/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.535%	4,886,000.00	4,983,577.43	5,007,400.00	23,822.57
06/08/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.559%	4,890,100.00	4,983,157.09	5,007,400.00	24,242.91
12/20/17	Quarterly	11/10/16	08/10/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.450%	2.052%	4,923,000.00	4,981,389.00	5,002,100.00	20,711.00
09/14/18	NA	NA	08/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.680%	2.789%	4,989,700.00	4,997,896.48	5,037,900.00	40,003.52
09/14/18	NA	NA	09/04/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.690%	2.794%	4,990,050.00	4,997,847.16	5,040,400.00	42,552.84
03/13/20	NA	NA	09/16/20	NR	HLB - Discount Not	Fed Home Loan Bank	5,000,000	0.480%	0.489%	4,987,533.35	4,988,800.01	4,987,533.50	(1,266.51)
12/12/17	NA	NA	09/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	2.000%	2.000%	5,000,000.00	5,000,000.00	5,021,300.00	21,300.00
10/31/17	NA	NA	10/30/20	Aaa/NR/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,550,000	1.850%	1.850%	5,550,000.00	5,550,000.00	5,569,591.50	19,591.50
09/28/18	NA	NA	10/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	2.847%	4,889,453.13	4,809,726.26	5,017,800.00	208,073.74
03/16/20	NA	NA	11/18/20	NR	HLB - Discount Not	Fed Home Loan Bank	7,000,000	0.530%	0.540%	6,974,545.28	6,974,194.17	6,974,545.27	(1,648.90)
11/30/17	NA	NA	11/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.850%	1.964%	4,983,550.00	4,996,423.26	5,026,800.00	30,376.74
12/20/17	NA	NA	12/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.875%	2.023%	4,978,400.00	4,992,702.17	5,026,700.00	33,997.83
11/09/18	NA	NA	12/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.375%	2.958%	4,939,843.75	4,978,949.15	5,051,000.00	72,050.85
10/12/18	NA	NA	01/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.375%	2.890%	9,664,843.76	9,878,595.42	10,023,400.00	144,804.58
12/14/18	NA	NA	02/16/21	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	2.806%	4,954,750.00	4,980,704.72	5,056,900.00	76,195.28
12/14/18	NA	NA	02/28/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	2.755%	4,919,515.95	4,964,993.93	5,045,500.00	80,506.07
02/12/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	2.500%	2.516%	9,996,500.00	9,998,409.09	10,135,700.00	137,290.91
02/25/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.549%	4,982,700.00	4,991,999.33	5,069,000.00	77,000.67
06/17/19	NA	NA	03/17/21	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.950%	1.938%	5,001,050.00	5,000,575.12	5,043,400.00	42,824.88
02/28/20	NA	NA	04/13/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	3,000,000	2.500%	1.185%	3,043,950.00	3,040,626.95	3,047,700.00	7,073.05
06/14/19	NA	NA	04/30/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	1.913%	4,985,000.00	4,991,384.84	5,043,950.00	52,565.16
12/05/19	NA	NA	04/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.250%	1.650%	5,041,406.25	5,031,863.40	5,069,150.00	37,286.60
09/13/19	NA	NA	05/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.625%	1.757%	5,071,093.75	5,047,667.78	5,093,950.00	46,282.22
03/02/20	NA	NA	05/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.125%	1.186%	10,115,711.10	10,108,081.80	10,115,711.10	7,629.30
09/18/19	NA	NA	06/11/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.250%	1.786%	5,039,300.00	5,027,112.03	5,079,350.00	52,237.97
01/16/20	NA	NA	06/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.594%	4,966,406.25	4,971,214.40	5,006,450.00	35,235.60
07/26/19	NA	NA	07/19/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.875%	1.927%	4,995,000.00	4,996,726.52	5,065,450.00	68,723.48
12/12/19	One Time	05/27/20	08/27/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	1.712%	5,003,200.00	5,002,625.24	5,002,900.00	274.76
08/01/19	NA	NA	08/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.816%	4,929,687.50	4,952,231.85	5,010,550.00	58,318.15
10/11/19	NA	NA	10/15/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.875%	1.540%	5,131,640.63	5,100,655.83	5,154,300.00	53,644.17
10/22/19	NA	NA	10/15/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.400%	1.642%	4,976,500.00	4,981,758.29	5,037,700.00	55,941.71
11/05/19	NA	NA	11/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.875%	1.610%	5,125,585.94	5,100,502.65	5,162,500.00	61,997.35
11/08/19	NA	NA	11/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	1.750%	1.680%	5,007,031.25	5,005,677.29	5,070,900.00	65,222.71
11/25/19	NA	NA	12/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	1.619%	5,039,062.50	5,032,543.60	5,096,700.00	64,156.40
11/25/19	NA	NA	01/13/22	Aaa/NA/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	1.635%	5,077,250.00	5,064,573.08	5,129,350.00	64,776.92
03/08/19	NA	NA	01/15/22	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.500%	2.460%	5,005,468.75	5,003,425.83	5,146,100.00	142,674.17
01/15/20	One Time	7/10/20	10/10/22	Aaa/NA/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.625%	1.625%	5,000,000.00	5,000,000.00	5,010,650.00	10,650.00
12/19/19	NA	NA	01/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.641%	5,024,218.75	5,020,964.55	5,091,200.00	70,235.45
03/21/19	NA	NA	02/03/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.030%	2.361%	4,954,350.00	4,970,740.52	5,101,550.00	130,809.48
12/19/19	NA	NA	02/15/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.500%	1.652%	5,089,453.13	5,077,662.10	5,153,700.00	76,037.90
03/08/19	NA	NA	03/11/22	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.500%	2.549%	5,002,750.00	5,001,774.11	5,155,100.00	153,325.89
12/19/19	NA	NA	03/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.645%	5,025,585.94	5,022,391.54	5,100,000.00	77,608.46
02/21/20	NA	NA	04/14/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.400%	1.414%	4,998,500.00	4,998,559.39	5,051,700.00	53,140.61
01/15/20	NA	NA	07/15/22	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.600%	1.594%	5,000,750.00	5,000,686.68	5,081,850.00	81,163.32
03/20/20	NA	NA	07/01/35	NR/AA+/AA+	Municipal - Bond	EASWTR	5,000,000	5.080%	5.080%	5,000,000.00	5,000,000.00	5,000,000.00	

03/30/20

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 3/30/2020	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
<u>TOTAL INVESTMENTS</u>							<u>\$355,050,000</u>			<u>\$354,551,336.96</u>	<u>\$355,108,588.91</u>	<u>\$357,919,318.57</u>	<u>\$2,810,729.66</u>
					Petty Cash					3,400.00			
					Ck Balance	Bank of America				<u>1,645,796.00</u>			
										<u>\$356,200,532.96</u>			

<sup>(1)</sup> LAIF market value is as of the most recent quarter-end as reported by LAIF.

Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.

<sup>(2)</sup> Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers

<sup>(3)</sup> Real estate rate of return is based on most recent quarter end return

Outstanding Variable Rate Debt	\$262,300,000
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Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$202,300,000
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Investment Balance:	\$356,200,533
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Investment to Variable Rate Debt Ratio:	176%
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Portfolio - Average Number of Days To Maturity 285

	Investment Portfolio	Real Estate <sup>(3)</sup> Portfolio	Weighted Avg. Return
March	1.97%	8.67%	4.07%
February	2.01%	8.67%	4.09%
Change	-0.04%		-0.02%

This Investment Summary Report is in conformity with the 2020 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

\*S - Step up

IRVINE RANCH WATER DISTRICT  
SUMMARY OF MATURITIES

03/30/20

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury
03/20	\$84,500,000	23.80%	\$74,500,000				10,000,000
04/20	10,000,000	2.82%		10,000,000			
05/20	10,000,000	2.82%		10,000,000			
06/20	10,000,000	2.82%		10,000,000			
07/20	10,000,000	2.82%		10,000,000			
08/20	10,000,000	2.82%		10,000,000			
09/20	15,000,000	4.22%		10,000,000	5,000,000		
10/20	10,550,000	2.97%		5,550,000			5,000,000
11/20	12,000,000	3.38%		5,000,000	7,000,000		
12/20	10,000,000	2.82%		5,000,000			5,000,000
01/21	10,000,000	2.82%					10,000,000
02/21	10,000,000	2.82%		5,000,000			5,000,000
SUB-TOTAL	\$202,050,000	56.91%	\$74,500,000	\$80,550,000	\$12,000,000		\$35,000,000
13 Months - 3 YEARS							
03/01/2021 - 05/31/2021	48,000,000	13.52%		28,000,000			20,000,000
06/30/2021 - 08/31/2021	25,000,000	7.04%		15,000,000			10,000,000
09/01/2021 - 11/30/2021	20,000,000	5.63%		5,000,000			15,000,000
12/01/2021 - 02/28/2022	35,000,000	9.86%		15,000,000			20,000,000
03/01/2022 - 05/31/2022	15,000,000	4.22%		10,000,000			5,000,000
06/01/2022- 08/31/2022	5,000,000	1.41%		5,000,000			
09/01/2022 +	5,000,000	1.41%				5,000,000	
	-						
	-						
TOTALS	\$355,050,000	100.00%	\$74,500,000	\$158,550,000	\$12,000,000	\$5,000,000	\$105,000,000

% OF PORTFOLIO		20.98%	44.66%	3.38%	1.41%	29.57%
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Irvine Ranch Water District  
Summary of Real Estate - Income Producing Investments  
12/31/2019

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 12/31/2019	ANNUALIZED RATE OF RETURN QUARTER ENDED 12/31/2019
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 148,625,000	18.28%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 28,710,327	8.53%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,730,000	10.47%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,180,000	6.71%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,220,000	8.73%
Total - Income Properties				\$ 72,569,826	\$ 209,465,327	14.34%
OTHER REAL ESTATE DESCRIPTION						
Serrano Summit - Promissory Note	Sep-17	NA	NA	\$ 88,128,000	\$ 88,128,000	4.00%
Total - Income Producing Real Estate Investments				\$ 160,697,826	\$ 297,593,327	8.67%

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT**  
**INVESTMENT ACTIVITY**  
**Mar-20**

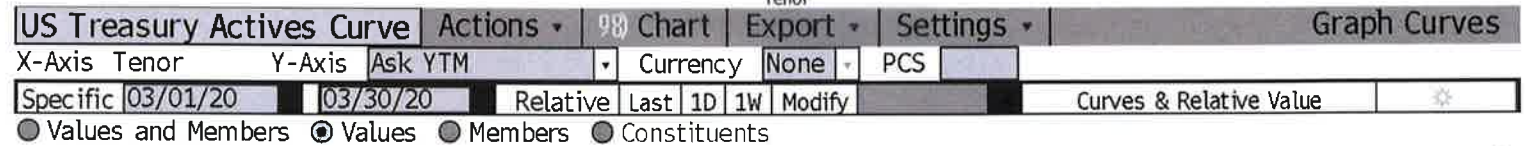
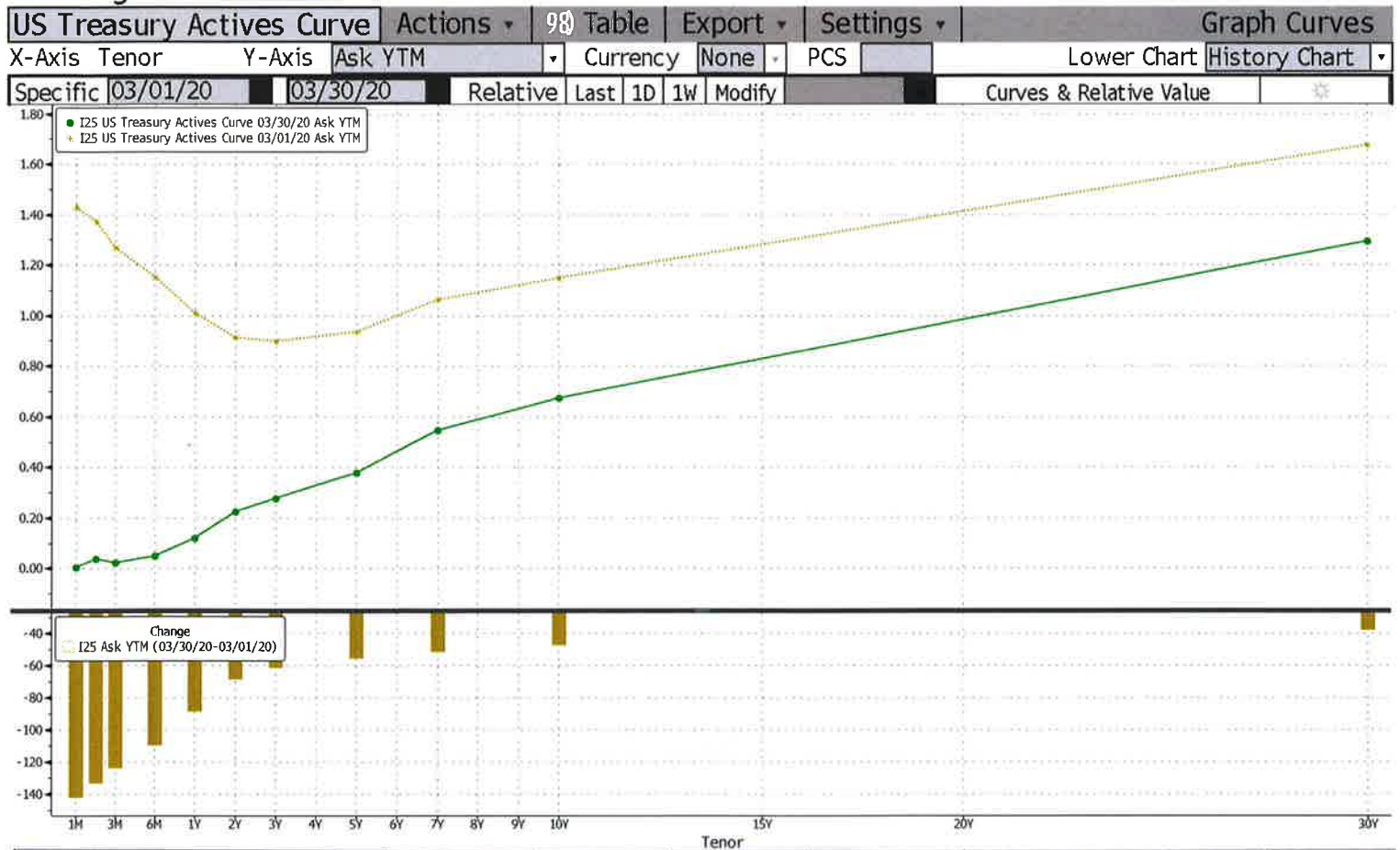
**MATURITIES/SALES/CALLS**

**PURCHASES**

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
3/2/2020	Treasury Note	\$10,000,000	2.67%	3/2/2020	5/31/2021	Treasury Note	\$10,000,000	1.19%
3/13/2020	FHLB - Note	\$5,000,000	1.95%	3/13/2020	9/16/2020	FHLB - Discount Note	\$5,000,000	0.49%
				3/16/2020	11/18/2020	FHLB - Discount Note	\$7,000,000	0.54%
				3/20/2020	7/1/2035	EASWTR - Muni Bond	\$5,000,000	5.08%*

\*Rate as of 3/24/20

Running as C15. Run GC for more features.

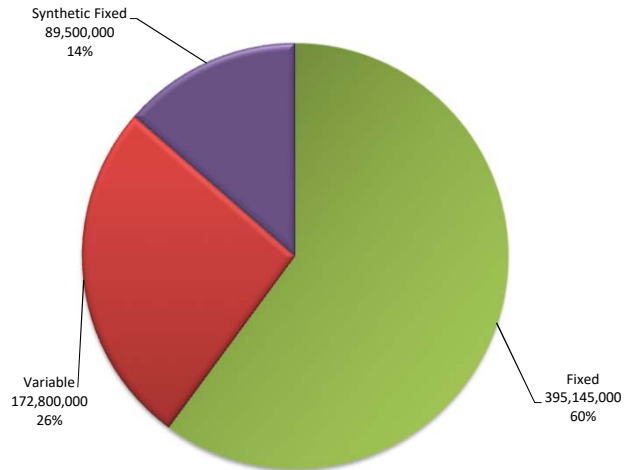


		I25 Ask YTM US Treasury Actives Curve	I25 Ask YTM US Treasury Actives Curve	I25 Ask YTM (Change)
	Tenor	03/30/20	02/28/20	03/30/20-02/28/20
11)	1M	0.005	1.430	-142.5
12)	2M	0.041	1.374	-133.4
13)	3M	0.025	1.267	-124.2
14)	6M	0.051	1.153	-110.2
15)	1Y	0.122	1.009	-88.7
16)	2Y	0.226	0.913	-68.7
17)	3Y	0.280	0.897	-61.8
18)	5Y	0.380	0.936	-55.6
19)	7Y	0.548	1.062	-51.5
20)	10Y	0.674	1.149	-47.4
21)	30Y	1.294	1.675	-38.1

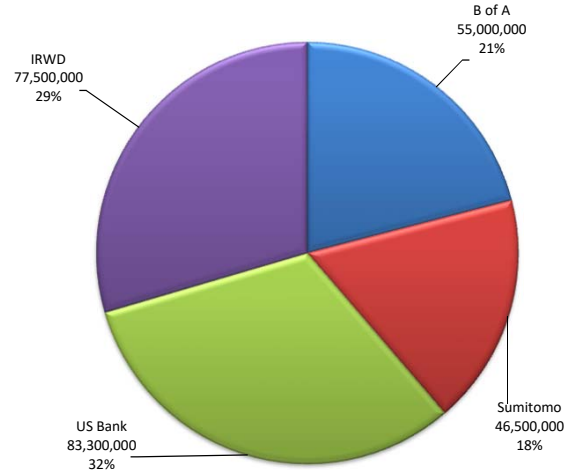
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Exhibit "C"  
**Irvine Ranch Water District**  
**Summary of Fixed and Variable Rate Debt**  
**March 2020**

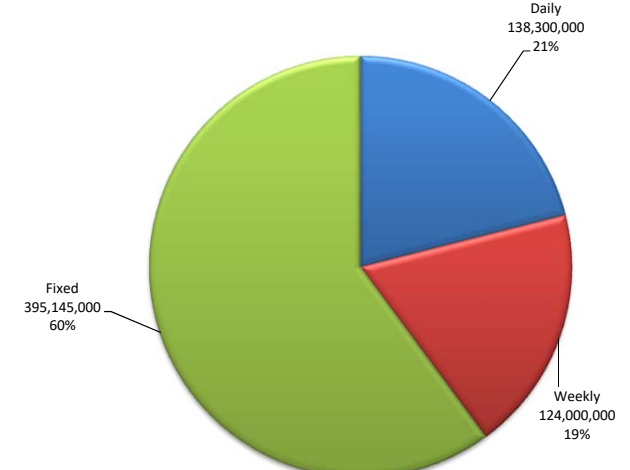
**Current Debt Mix By Type**



**Letters of Credit / Support**



**Current Debt Rate Reset**



**Outstanding Par by Series**

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$28,300,000	4.30%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$46,500,000	7.07%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$46,500,000	7.07%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$31,000,000	4.72%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$55,000,000	8.37%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$55,000,000	8.37%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$116,745,000	17.76%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	26.62%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	15.73%	N/A	N/A	Fixed	Fixed
<b>Total</b>			<b>\$657,445,000</b>	<b>100.00%</b>				

**IRVINE RANCH WATER DISTRICT**  
**SUMMARY OF FIXED & VARIABLE RATE DEBT**

March-20

<b>ITN</b>
Daily
<b>Weekly</b>

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION				
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date		MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee
SERIES 1993	05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$28,300,000	US BANK	05/07/15	12/15/21		Aa3/VMIG1	AA-/A-1+	N/R	\$28,681,468	0.3300%	\$94,649	BAML	DAILY	0.10%	\$28,300	BANK OF NY
SERIES 2008-A Refunding	04/24/08	07/01/35	Jul 1	5th Bus. Day	\$60,215,000	\$46,500,000	SUMITOMO	04/01/11	07/21/21		A1/P-1	A/A-1	A/F1	\$47,187,945	0.3150%	\$148,642	BAML	WED	0.07%	\$32,550	BANK OF NY
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$46,500,000	N/A	N/A	N/A		Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$58,125	BANK OF NY
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$31,000,000	N/A	N/A	N/A		Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$38,750	BANK OF NY
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$55,000,000	US BANK	04/01/11	12/15/21		Aa2/VMIG 1	AA-/A-1+	AA/F1+	\$55,614,795	0.3300%	\$183,529	US Bank	DAILY	0.07%	\$38,500	US BANK
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$55,000,000	B of A	04/01/11	05/16/22		Aa2/VMIG 1	A/A-1	A1/F1+	\$55,614,795	0.3000%	\$166,844	Goldman	DAILY	0.10%	\$55,000	US BANK
					\$349,430,000	\$262,300,000	SUB-TOTAL VARIABLE RATE DEBT							\$187,099,003	0.3173%	\$593,664					
										(Wt. Avg)							(Wt. Avg)				
FIXED RATE ISSUES																					
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	May (2025)	May/Nov	\$175,000,000	\$175,000,000	N/A	N/A	N/A		Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK
2016 COPS	09/01/16	03/01/46	Mar (2021)	Mar/Sept	\$116,745,000	\$116,745,000	N/A	N/A	N/A		NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK
SERIES 2016	10/12/16	02/01/46	Feb (2022)	Feb/Aug	\$103,400,000	\$103,400,000	N/A	N/A	N/A		NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY
					\$395,145,000	\$395,145,000	SUB-TOTAL FIXED RATE DEBT														
					\$744,575,000	\$657,445,000	TOTAL- FIXED & VARIABLE RATE DEBT														

Remarketing Agents			GO VS COP's		
Goldman	132,500,000	51%	GO:	540,700,000	82%
BAML	74,800,000	29%	COPS:	116,745,000	18%
US Bank	55,000,000	21%	Total	<u>657,445,000</u>	
	<u>262,300,000</u>				

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	46,500,000	Daily Issues	138,300,000 21%
BANK OF AMERICA	55,000,000	Weekly Issues	46,500,000 7%
US BANK	83,300,000	ITN Issues	77,500,000 12%
	<u>184,800,000</u>	Sub-Total	<u>262,300,000</u>
		Fixed Rate Issues	\$395,145,000 60%
		Sub-Total - Fixed	<u>395,145,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>657,445,000</u> 100%

**Exhibit "D"**  
**IRVINE RANCH WATER DISTRICT**  
**SUMMARY OF DEBT RATES**  
Mar-20

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN WEEKLY	GOLDMAN WEEKLY	MERRILL LYNCH DAILY	MERRILL LYNCH WEEKLY	US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	55,000,000	46,500,000	31,000,000	28,300,000	46,500,000	55,000,000
Bank	BOFA	(SIFMA -6)	(SIFMA -6)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday	Wednesday	Wednesday	
3/1/2020	0.99%	1.09%	1.09%	1.00%	1.06%	1.00%
3/2/2020	0.99%	1.09%	1.09%	1.08%	1.06%	1.00%
3/3/2020	0.94%	1.09%	1.09%	1.20%	1.06%	1.13%
3/4/2020	1.15%	1.09%	1.09%	1.32%	1.06%	1.13%
3/5/2020	1.30%	1.19%	1.19%	1.25%	1.15%	1.18%
3/6/2020	1.03%	1.19%	1.19%	1.02%	1.15%	1.04%
3/7/2020	1.03%	1.19%	1.19%	1.02%	1.15%	1.04%
3/8/2020	1.03%	1.19%	1.19%	1.02%	1.15%	1.04%
3/9/2020	0.80%	1.19%	1.19%	0.97%	1.15%	0.85%
3/10/2020	0.85%	1.19%	1.19%	0.85%	1.15%	0.85%
3/11/2020	1.07%	1.19%	1.19%	0.96%	1.15%	0.91%
3/12/2020	1.18%	1.22%	1.22%	1.18%	1.19%	0.95%
3/13/2020	1.42%	1.22%	1.22%	1.39%	1.19%	1.40%
3/14/2020	1.42%	1.22%	1.22%	1.39%	1.19%	1.40%
3/15/2020	1.98%	1.22%	1.22%	1.39%	1.19%	1.40%
3/16/2020	2.20%	1.22%	1.22%	1.72%	1.19%	1.82%
3/17/2020	3.25%	1.22%	1.22%	3.04%	1.19%	3.90%
3/18/2020	4.85%	1.22%	1.22%	5.39%	1.19%	4.90%
3/19/2020	7.95%	5.14%	5.14%	9.89%	5.72%	7.90%
3/20/2020	7.80%	5.14%	5.14%	9.89%	5.72%	9.00%
3/21/2020	7.80%	5.14%	5.14%	9.89%	5.72%	9.00%
3/22/2020	7.80%	5.14%	5.14%	9.89%	5.72%	9.00%
3/23/2020	6.25%	5.14%	5.14%	5.89%	5.72%	6.25%
3/24/2020	4.00%	5.14%	5.14%	3.89%	5.72%	4.50%
3/25/2020	2.00%	5.14%	5.14%	2.89%	5.72%	2.75%
3/26/2020	1.55%	4.65%	4.65%	1.64%	4.67%	2.05%
3/27/2020	0.95%	4.65%	4.65%	1.09%	4.67%	1.40%
3/28/2020	0.95%	4.65%	4.65%	1.09%	4.67%	1.40%
3/29/2020	0.95%	4.65%	4.65%	1.09%	4.67%	1.40%
3/30/2020	0.80%	4.65%	4.65%	0.70%	4.67%	1.00%
Avg Interest Rates	2.48%	2.80%	2.80%	2.76%	2.86%	2.69%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.30%			0.33%	0.32%	0.33%
All-In Rate	2.88%	2.93%	2.93%	3.19%	3.25%	3.09%
Par Amount	101,500,000		31,000,000	74,800,000		55,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.73%	138,300,000	3.03%	2.62%
Weekly	47.27%	124,000,000	3.05%	2.82%
<b>Fixed</b>	100.00%	<b>\$ 262,300,000</b>	3.04%	2.72%
COPS 2016	29.54%	116,745,000	2.90%	
BABS 2010	44.29%	175,000,000	4.44%	
SERIES 2016	26.17%	103,400,000	3.32%	
	100.00%	<b>\$ 395,145,000</b>	3.69%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				<b>3.75%</b>

(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 5.9%

Note: This page is intentionally left blank.



April 7, 2020

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### 2020 INDEX TENDER NOTES AMENDMENT

#### SUMMARY:

IRWD's Index Tender Note debt issues (2011 A-1 and 2011 A-2), originally issued in April 2011, were successfully remarketed on February 6, 2020. Based on investor concerns expressed to the District's underwriter Goldman Sachs, staff recommends the Board adopt a resolution approving an amendment to the Indentures for the 2011 A-1 and 2011 A-2 bonds clarifying investor obligations in the event that a potential negative interest rate scenario were to occur with the bonds.

#### BACKGROUND:

IRWD currently has \$77.5 million of Index Tender Notes (ITNs), including the 2011 A-1 issue of \$46.5 million and 2011 A-2 issue of \$31.0 million, which are remarketed annually by Goldman Sachs. Staff recently received feedback from Goldman Sachs regarding investor concerns of a potential negative interest scenario. In February 2020, the ITN issues were remarketed at the weekly Securities Industry and Financial Markets Association (SIFMA) tax-exempt municipal index minus six basis points (0.06%). Based on this pricing, if the SIFMA index were to fall below 0.06%, a potential negative interest scenario would occur, and the current bond documents do not clearly address the implications to investors. While the current SIFMA rate reset this week at 1.83%, the rate fell to 0.01% during the financial crisis in 2008-2009.

To address investor concerns, the District's bond counsel (Orrick) has prepared Second Supplemental Indentures for the two issues which amend the definition of the term "Index Tender Rate". The definition will include the following, "...if the Index Tender Rate shall be calculated to be less than zero for any Index Rate Accrual Period, then the Index Tender Rate shall be zero for such any Index Rate Accrual Period." If this were to occur, the District's interest rate for the one-week period would be 0.00% and investors would have no obligation to pay the District any interest.

To address ITN investor concerns, staff recommends the Board adopt a resolution approving the Second Supplemental Indentures, which is provided as Exhibit "A". The proposed Second Supplemental Indentures is provided as Exhibit "B".

#### FISCAL IMPACTS:

The current outstanding principal amount for the 2011 A-1 and 2011 A-2 ITN bond issues is \$77.5 million, and the Fiscal Year 2019-20 budget includes interest expense of \$1.6 million for the two issues. The ITNs are priced at a spread to the SIFMA tax-exempt weekly variable rate index.

RECOMMENDATION:

That the Board approve the 2020 ITN Second Supplemental Indentures of Trust and adopt a resolution approving Second Supplemental Indentures of Trust for Refunding Series 2011 A-1 and Refunding Series 2011 A-2.

LIST OF EXHIBITS:

Exhibit “A” – Resolution Approving Second Supplemental Indentures of Trust

Exhibit “B” – Second Supplemental Indentures of Trust

RESOLUTION NO. 2020-

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT APPROVING  
SECOND SUPPLEMENTAL INDENTURES OF TRUST  
(REFUNDING SERIES 2011A-1 AND REFUNDING SERIES 2011A-2)

WHEREAS, the Irvine Ranch Water District (the “**District**”) has issued the “Bonds of Irvine Ranch Water District, Refunding Series 2011A-1” (the “**Series A-1 Bonds**”) and “Bonds of Irvine Ranch Water District, Refunding Series 2011A-2” (the “**Series A-2 Bonds**” and, together with the Series A-1 Bonds, the “**Bonds**”); and

WHEREAS, the Series A-1 Bonds and the Series A-2 Bonds were issued, pursuant to an Indenture of Trust relating to each such series, dated as of April 1, 2011, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A. and each was amended and supplemented by a First Supplemental Indenture of Trust relating to each such series, dated February 1, 2014 (as amended and supplemented, the “**Series A-1 Indenture**,” the “**Series A-2 Indenture**” and, together the “**Existing Indentures**”); and

WHEREAS, Section 10.01(b)(iii) of each Existing Indenture provides that the provisions of that Existing Indenture may be modified, amended or supplemented by a Supplemental Indenture, without the consent of the bondowners, for the purpose of curing any ambiguity, inconsistency or omission contained in the Existing Indenture as the District may deem necessary or desirable; and

WHEREAS, under the Existing Indentures, each has an ambiguity in that there is a possibility that the definition of “Index Tender Rate” can result in an interest rate per annum of less than zero, however, there is no mechanism in the Existing Indenture to collect such interest payment due by the bondowner in the event it is due; and

WHEREAS, the Board of Directors intends to cure this ambiguity in each of the Existing Indentures; and

WHEREAS, there has been placed on file with the Secretary of the District forms of second supplemental indentures of trust relating to each Existing Indenture, and the Board intends by this resolution to approve the forms and authorize the execution of the second supplemental indentures of trust.

NOW, THEREFORE, the Board of Directors of the District DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The second supplemental indentures of trust, by and between the District and the The Bank of New York Mellon Trust Company, N.A., each to be dated as of April 1, 2020, relating to each Existing Indenture, are hereby approved in the form on file with the Secretary upon adoption of this resolution. The President and Secretary of the District are authorized and directed to execute them in that form, with any changes, insertions and deletions as are approved

by the Treasurer of the District with the concurrence of the President, which approval will be conclusively evidenced by execution and delivery thereof.

Section 2. The President, the Treasurer, the Secretary and each other officer of the District, acting singly, are hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

Section 3. This resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this \_\_\_\_ day of April, 2020.

---

President/Vice President  
IRVINE RANCH WATER DISTRICT  
and of the Board of Directors thereof

---

Secretary/Assistant Secretary  
IRVINE RANCH WATER DISTRICT  
and of the Board of Directors thereof

APPROVED AS TO FORM:

HANSON BRIDGETT LLP  
Legal Counsel

By \_\_\_\_\_

SECOND SUPPLEMENTAL INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee

Dated as of April 1, 2020

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Relating to

BONDS OF IRVINE RANCH WATER DISTRICT,  
REFUNDING SERIES 2011A-1

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## **SECOND SUPPLEMENTAL INDENTURE OF TRUST**

**THIS SECOND SUPPLEMENTAL INDENTURE OF TRUST**, dated as of April 1, 2020, by and between the IRVINE RANCH WATER DISTRICT, a California water district and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee;

### **WITNESSETH:**

**WHEREAS**, pursuant to the Original Indenture (capitalized terms used herein shall have the meanings given such terms pursuant to Section 13.03 hereof) the District has issued the Bonds constituting the several general obligations of certain Improvement Districts as provided in the Original Indenture; and

**WHEREAS**, on February 14, 2014, the District executed the First Supplemental Indenture to amend and supplement the Original Indenture to amend the definition of “Improvement Districts” in the Original Indenture to reflect the certain consolidations and to make certain other amendments (the Original Indenture, as amended and supplemented by the First Supplemental Indenture shall be known as the “Existing Indenture”); and

**WHEREAS**, under the Existing Indenture, an ambiguity exists in that there is a possibility that the definition of “Index Tender Rate” can result in an interest rate per annum of less than zero, however, there is no mechanic in the Original Indenture to collect such interest payment due by the Owner in the event it is due; and

**WHEREAS**, Section 10.01(b)(iii) of the Existing Indenture provides that the provisions of the Existing Indenture may be modified, amended or supplemented by a Supplemental Indenture, without the consent of the Owners of the Bonds, for the purpose of curing any ambiguity, inconsistency or omission contained in the Existing Indenture as the District may deem necessary or desirable; and

**WHEREAS**, the District desires to cure the above-discussed ambiguity with the authorization, execution, and delivery of this Second Supplemental Indenture; and

**WHEREAS**, the District has determined that all acts and things which are necessary in connection with the authorization, execution and delivery of this Second Supplemental Indenture have been done and performed in due time, form and manner;

### **NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:**

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts created by the Indenture, as amended and supplemented from time to time, and for other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, it is agreed by and between the District and the Trustee as follows:

## ARTICLE XVI

### AUTHORITY; DEFINITIONS

**SECTION 16.01. Supplemental Indenture of Trust.** This Second Supplemental Indenture is amendatory of the Existing Indenture.

**SECTION 16.02. Authority for this Second Supplemental Indenture.** This Second Supplemental Indenture is entered into in accordance with Article X of the Existing Indenture.

**SECTION 16.03. Definitions.** (a) Except as otherwise defined by this Second Supplemental Indenture, all terms which are defined in Section 1.01 of the Existing Indenture, shall have the same meanings, respectively, in this Second Supplemental Indenture as such terms are given in said Section 1.01 of the Existing Indenture.

(b) Additional Definitions. The following term shall, for all purposes of the Indenture, have the meaning set forth below:

**“Existing Indenture”** means the Original Indenture, as amended and supplemented by the First Supplemental Indenture.

**“Second Supplemental Indenture”** means this Second Supplemental Indenture of Trust, dated as of April 1, 2020, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1.

## ARTICLE XVII

### AMENDMENT OF EXISTING INDENTURE

**SECTION 17.01. Amendment of Section 1.01.** The definition of the term “Index Tender Rate” in Section 1.01 of the Existing Indenture is hereby amended to add the following sentence to the end of such definition:

Notwithstanding anything herein to the contrary, if the Index Tender Rate shall be calculated to be less than zero for any Index Rate Accrual Period, then the Index Tender Rate shall be zero for such any Index Rate Accrual Period.

## ARTICLE XVIII

### MISCELLANEOUS

**SECTION 18.01. Indenture to Remain in Effect.** Save and except as amended by this Second Supplemental Indenture, the Existing Indenture shall remain in full force and effect.

**SECTION 18.02. Notice to Rating Agencies.** Pursuant to Section 12.12 of the Indenture, the Trustee shall give notice of this Second Supplemental Indenture to the Rating Agencies.



**SECTION 18.03. Counterparts.** This Second Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 18.04. Effective Date.** In accordance with Section 10.01(d) of the Indenture, the effective date of this Second Supplemental Indenture shall be the date in which the District delivers to the Trustee a Favorable Opinion of Bond Counsel in connection with this Second Supplemental Indenture.

**IN WITNESS WHEREOF,** the District has caused the Second Supplemental Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Second Supplemental Indenture to be signed in its name and on its behalf by its duly authorized signatories.

**IRVINE RANCH WATER DISTRICT**

By: \_\_\_\_\_

[SEAL]

ATTEST:

\_\_\_\_\_

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By: \_\_\_\_\_  
Authorized Signatory

---

SECOND SUPPLEMENTAL INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee

Dated as of April 1, 2020

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Relating to

BONDS OF IRVINE RANCH WATER DISTRICT,  
REFUNDING SERIES 2011A-2

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## **SECOND SUPPLEMENTAL INDENTURE OF TRUST**

**THIS SECOND SUPPLEMENTAL INDENTURE OF TRUST**, dated as of April 1, 2020, by and between the IRVINE RANCH WATER DISTRICT, a California water district and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee;

### **WITNESSETH:**

**WHEREAS**, pursuant to the Original Indenture (capitalized terms used herein shall have the meanings given such terms pursuant to Section 13.03 hereof) the District has issued the Bonds constituting the several general obligations of certain Improvement Districts as provided in the Original Indenture; and

**WHEREAS**, on February 14, 2014, the District executed the First Supplemental Indenture to amend and supplement the Original Indenture to amend the definition of “Improvement Districts” in the Original Indenture to reflect the certain consolidations and to make certain other amendments (the Original Indenture, as amended and supplemented by the First Supplemental Indenture shall be known as the “Existing Indenture”); and

**WHEREAS**, under the Existing Indenture, an ambiguity exists in that there is a possibility that the definition of “Index Tender Rate” can result in an interest rate per annum of less than zero, however, there is no mechanic in the Original Indenture to collect such interest payment due by the Owner in the event it is due; and

**WHEREAS**, Section 10.01(b)(iii) of the Existing Indenture provides that the provisions of the Existing Indenture may be modified, amended or supplemented by a Supplemental Indenture, without the consent of the Owners of the Bonds, for the purpose of curing any ambiguity, inconsistency or omission contained in the Existing Indenture as the District may deem necessary or desirable; and

**WHEREAS**, the District desires to cure the above-discussed ambiguity with the authorization, execution, and delivery of this Second Supplemental Indenture; and

**WHEREAS**, the District has determined that all acts and things which are necessary in connection with the authorization, execution and delivery of this Second Supplemental Indenture have been done and performed in due time, form and manner;

### **NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:**

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts created by the Indenture, as amended and supplemented from time to time, and for other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, it is agreed by and between the District and the Trustee as follows:

## ARTICLE XVI

### AUTHORITY; DEFINITIONS

**SECTION 16.01. Supplemental Indenture of Trust.** This Second Supplemental Indenture is amendatory of the Existing Indenture.

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**SECTION 16.03. Definitions.** (a) Except as otherwise defined by this Second Supplemental Indenture, all terms which are defined in Section 1.01 of the Existing Indenture, shall have the same meanings, respectively, in this Second Supplemental Indenture as such terms are given in said Section 1.01 of the Existing Indenture.

(b) Additional Definitions. The following term shall, for all purposes of the Indenture, have the meaning set forth below:

**“Existing Indenture”** means the Original Indenture, as amended and supplemented by the First Supplemental Indenture.

**“Second Supplemental Indenture”** means this Second Supplemental Indenture of Trust, dated as of April 1, 2020, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2.

## ARTICLE XVII

### AMENDMENT OF EXISTING INDENTURE

**SECTION 17.01. Amendment of Section 1.01.** The definition of the term “Index Tender Rate” in Section 1.01 of the Existing Indenture is hereby amended to add the following sentence to the end of such definition:

Notwithstanding anything herein to the contrary, if the Index Tender Rate shall be calculated to be less than zero for any Index Rate Accrual Period, then the Index Tender Rate shall be zero for such any Index Rate Accrual Period.

## ARTICLE XVIII

### MISCELLANEOUS

**SECTION 18.01. Indenture to Remain in Effect.** Save and except as amended by this Second Supplemental Indenture, the Existing Indenture shall remain in full force and effect.

**SECTION 18.02. Notice to Rating Agencies.** Pursuant to Section 12.12 of the Indenture, the Trustee shall give notice of this Second Supplemental Indenture to the Rating Agencies.

**SECTION 18.03. Counterparts.** This Second Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 18.04. Effective Date.** In accordance with Section 10.01(d) of the Indenture, the effective date of this Second Supplemental Indenture shall be the date in which the District delivers to the Trustee a Favorable Opinion of Bond Counsel in connection with this Second Supplemental Indenture.

**IN WITNESS WHEREOF,** the District has caused the Second Supplemental Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Second Supplemental Indenture to be signed in its name and on its behalf by its duly authorized signatories.

**IRVINE RANCH WATER DISTRICT**

By: \_\_\_\_\_

[SEAL]

ATTEST:

\_\_\_\_\_

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By: \_\_\_\_\_  
Authorized Signatory

April 7, 2020

Prepared by: T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### 230 COMMERCE AND WATERWORKS BUSINESS PARK OFFICE PROPERTY LISTING AGREEMENT EXTENSIONS

#### SUMMARY:

Staff will provide the Committee with an update on the 230 Commerce and Waterworks Business Park office properties occupancy and leasing activities. Staff recommends the Board approve new listing agreements with the existing brokerage team, under terms consistent with the previous listing agreements for an additional one-year period.

#### BACKGROUND:

At the 230 Commerce office property, the building is currently 85% leased with two suites available totaling 7,508 square feet. Staff is currently negotiating with a prospective tenant for one of the suites and will provide an update at the meeting. The next lease expiration is in November 2020.

At the Waterworks Business Park property, the building is 100% leased with two leases due to expire in June 2020 totaling 7,410 square feet. The two units are currently being marketed by the brokerage team.

#### Extension of Listing Agreements:

The Board previously approved the current listing agreements for 230 Commerce and Waterworks Business Park with Colliers International, which expired on February 29, 2020. Staff recommends extending the agreements for one year to February 28, 2021.

The general terms of the listing agreements are as follows:

Brokers:	Michael Hartel and Nick Velasquez of Colliers International
Proposed Extension Term:	February 28, 2021
Termination:	Upon 30-Day Notice
Commission Rates:	
Years 1-5	(4%) to the procuring broker and (2.00%) to the listing brokers
Years 6-10	(2%) to the procuring broker and (1.50%) to the listing brokers

#### FISCAL IMPACTS:

The total proposed lease commission rate is 6.0% of the gross lease revenue for years one through five, and 3.50% for years six through 10. The total commission will be determined based on the final lease terms.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Board approve new listing agreements for the 230 Commerce office property and Waterworks Business Park property with the brokerage team of Colliers International under previously agreed-upon commission terms and expiring on February 28, 2021.

LIST OF EXHIBITS:

Exhibit “A” – Proposed Listing Agreement – 230 Commerce

Exhibit “B” – Proposed Listing Agreement – Waterworks Business Park





**FOURTH LISTING AMENDMENT**

**THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement")**, is entered into on March 2, 2020 ("**Effective Date**"), by and between Bardeen Partners, Inc. ("Owner") and Colliers International Greater Los Angeles ("**Colliers**"), as Agent for that certain property commonly known as 230 Commerce Drive, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 28, 2021.

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF**, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

**OWNER: BARDEEN PARTNERS,  
INC.**

**COLLIERS INTERNATIONAL GREATER  
LOS ANGELES, INC.**

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name: Robert G. Caudill

Lic. No.: 01908231

Title: Regional Director

Date: \_\_\_\_\_

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614



THIRD LISTING AMENDMENT

THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement"), is entered into on February 8, 2019 ("Effective Date"), by and between Bardeen Partners, Inc. ("Owner") and Colliers International Greater Los Angeles ("Colliers"), as Agent for that certain property commonly known as 230 Commerce Drive, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 07, 2020.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

OWNER: BARDEEN PARTNERS,  
INC.

COLLIERS INTERNATIONAL GREATER  
LOS ANGELES, INC.

Name: Robert Jacobson

Name: Robert G. Caudill

Title: Treasurer

Lic. No.: 01908231

Date: 1-21-18

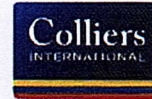
Title: Regional Director

Address: 15600 Sand Canyon Ave  
IRVINE, CA 92619

Date:

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614



**SECOND LISTING AMENDMENT**

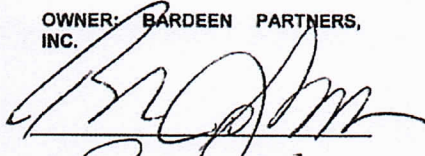
**THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement")**, is entered into on February 8, 2017 ("**Effective Date**"), by and between Bardeen Partners, Inc. ("**Owner**") and Colliers International Greater Los Angeles ("**Colliers**"), as Agent for that certain property commonly known as 230 Commerce Drive, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 07, 2019.


All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF**, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

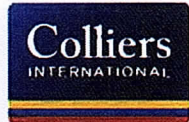
**OWNER: BARDEEN PARTNERS,  
INC.**

  
Name: Robert Jacobson  
Title: Treasurer  
Date: 5/22/18  
Address: 15600 Sand Canyon  
IRVINE, CA 92618

**COLLIERS INTERNATIONAL GREATER  
LOS ANGELES, INC.**

  
Robert Caudill (May 29, 2018)  
Name: Robert G. Caudill  
Lic. No.: 01908231  
Title: Regional Director  
Date: May 29, 2018  
Address: 3 Park Plaza, Suite 1200  
Irvine, CA 92614





Please note that the terms "Seller" and "Buyer" are defined by the CA Civil Code to include a lessor and lessee, respectively.

*If you are the Listing Agent* – you must deliver the form to the seller/lessor in the Representation Agreement. You must also deliver the form to the buyer/lessee once the Letter of Intent is prepared, or where a legitimate interest/intent to be bound is shown (e.g. no outstanding negotiations).

*If you are the Buyer's Agent* – you must deliver the form to the buyer/lessee in the Representation Agreement. In addition, you must deliver the form to the seller/lessor once the Letter of Intent is prepared, or where a legitimate interest/intent to be bound is shown (e.g. no outstanding negotiations).

#### DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

##### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

**To the Seller:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

**To the Buyer and the Seller:**

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

##### BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

**To the Buyer:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

**To the Buyer and the Seller:**

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

##### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

Colliers International Greater Los Angeles Inc.

Agent Printed Name

Associate Licensee Signature

(date)

Michael Hartel

Associate Licensee Printed Name

Buyer/Lessee Signature

(date)

Buyer/Lessee Printed Name

Seller/Lessor Signature

(date)

Robert Garabson

Seller/Lessor Printed Name

5/22/18



2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained.

(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensee who performs as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.

(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee.

(d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29.

(e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.

(f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.

(g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation.

(h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.

(i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.

(j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller.

(k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.

(l) "Real property transaction" means a transaction for the sale of real property in which an agent is property that are not known to, or within the diligent attention and observation of, the employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.

(m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property 95 Ch. 200 — 2 — between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration.

(n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor.

(o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.

(p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows:

(a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.

(b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a).

(c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained from the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required.

(d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16. The disclosure form required by Section 2079.14 shall have Sections 2079.13 to 2079.24, inclusive, excluding this section, printed on the back, and on the front of the disclosure form the following shall appear:

#### DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

#### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the

parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

#### BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

#### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.

(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

SAMPLE ONLY- DO NOT COMPLETE

Agent	(date)	Buyer/Seller (date)
		(Signature)
Associate Licensee	(date)	Buyer/Seller (date)
(Signature)		(Signature)

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.

(b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

SAMPLE ONLY- DO NOT COMPLETE

\_\_\_\_\_ is the agent of

(Name of Listing Agent)  
(check one):  
( ) the seller exclusively; or  
( ) both the buyer and seller.

\_\_\_\_\_ is the agent of

(Name of Selling Agent if not the same as the Listing Agent)  
(check one):  
( ) the buyer exclusively; or  
( ) the seller exclusively; or  
( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer.

This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.





**LISTING AMENDMENT**

**THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement")**, is entered into on February 8, 2017 ("**Effective Date**"), by and between Bardeen Partners, Inc. ("Owner") and Colliers International Greater Los Angeles ("Colliers"), as Agent for that certain property commonly known as 230 Commerce Drive, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 07, 2018.

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF**, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

**OWNER: BARDEEN PARTNERS,  
INC.**

Name: Robert Jacobson

Title: Treasurer

Date: 2-20-17

Address: 15600 Sand Canyon  
Avenue

Irvine, CA. 92618

**COLLIERS INTERNATIONAL GREATER  
LOS ANGELES, INC.**

Name: Robert G. Caudill

Lic. No.: 00813140

Title: Regional Director

Date: 2/28/17

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614





## EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY

(Non-Residential)

AIR COMMERCIAL REAL ESTATE ASSOCIATION

### 1. BASIC PROVISIONS ("BASIC PROVISIONS").

1.1 Parties: This agency Agreement ("Agreement"), dated for reference purposes only February 4, 2016,

is made by and between Bardeen Partners, Inc.

whose address is 15600 Sand Canyon Ave, Irvine, CA 92618

telephone number (949) 453-5358, Fax No. (949) 453-0128

("Owner"), and Colliers International

whose address is 3 Park Plaza, Suite 1200, Irvine, CA 92614

telephone number (949) 724-5500, Fax No. (949) 724-5600

("Agent").

1.2 Property/Premises: The real property, or a portion thereof, which is the subject of this Agreement is commonly known by the street address of 230 Commerce Drive

located in the City of Irvine, County of Orange, State of California, and

generally described as (describe briefly the nature of the property): an approximate 40,851 SF two-story multi-tenant office building

("Property"). (See also Paragraph 3).

1.3 Term of Agreement: The term of this Agreement shall commence on February 4, 2016

and expire at 5:00 p.m. on February 3, 2017, except as it may be extended ("Term"). (See also paragraph 4)

1.4 Transaction: The nature of the transaction concerning the Property for which Agent is employed ("Transaction") is (check the appropriate box(es)):

(a) ☐ A sale for the following sale price and terms:

and other additional standard terms reasonably similar to those contained in the "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE" published by the AIR Commercial Real Estate Association ("AIR"), or for such other price and terms agreeable to Owner;

(b) ☒ A lease or other tenancy for the following rent and terms: as determined by Owner

and other additional standard terms reasonably similar to those contained in the appropriate AIR lease form or for such other rent and terms agreeable to Owner.

### 2. EXCLUSIVE EMPLOYMENT AND RIGHTS.

2.1 Owner hereby employs Agent as Owner's sole and exclusive agent to represent Owner in the Transaction and to find buyers or lessees/tenants ("lessees"), as the case may be, for the Property. Agent shall use reasonably diligent efforts to find such buyers or lessees. All negotiations and discussions for a Transaction shall be conducted by Agent on behalf of Owner. Owner shall promptly disclose and refer to Agent all written or oral inquiries or contacts received by Owner from any source regarding a possible Transaction.

2.2 Owner authorizes Agent to:

- (a) Place advertising signs on the Property;
- (b) Place a lock box on the Property if vacant;
- (c) Accept deposits from potential buyers or lessees; and

(d) Distribute information regarding the Property to participants in the MULTIPLE ("MULTIPLE") of the AIR and/or any other appropriate local commercial multiple listing service, to other brokers, and to potential buyers or lessees of the Property. Owner shall identify as "confidential" any information provided to Agent that Owner considers confidential and does not want disclosed. All other information provided by Owner may be disclosed as Agent may deem appropriate or necessary. After consummation of a Transaction, Agent may publicize the terms of such Transaction.

2.3 Agent shall comply with the Rules of Professional Conduct of the AIR, if a member or if not, the Rules of Professional Conduct of the Society of Industrial and Office Realtors, and shall submit the Property to the MULTIPLE. Agent shall cooperate with participants in the MULTIPLE and may, at Agent's election, cooperate with other real estate brokers (collectively "Cooperating Broker").

2.4 If the Transaction is a sale and Agent finds a prospective buyer for the Property, or if the Transaction is a lease and Agent finds a prospective lessee for the Property, Owner hereby authorizes Agent also to represent and act as the agent for such buyer or lessee, and Owner consents to such dual agency. If a Cooperating Broker finds such a buyer or lessee, then Agent shall act as agent for Owner only, the Cooperating Broker shall act as agent for the buyer or lessee only, and the Cooperating Broker shall not be Owner's agent, even though the Cooperating Broker may share in the commission paid by Owner to Agent. A Cooperating Broker shall not be an agent or subagent of Owner or Agent.

2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property by showing and providing information on the Property, as well as on other competing properties, to prospective buyers and lessees and that such activities may result in the payment of a commission to Agent by a third party.

### 3. PROPERTY.

3.1 The term "Property" shall include all of the following which are currently located on the Property and owned by Owner: permanent improvements, electrical distribution systems (power panels, bus ducting, conduits, disconnects, lighting fixtures, etc.), telephone distribution systems (lines, jacks and connections), space-heating, air conditioning equipment, air-lines, carpets, window coverings, wall coverings, partitions, doors, suspended ceilings, built-ins such as cabinets, and None

(If there are no additional items write "NONE"). If the Transaction is a sale, the term "Property" shall additionally include, to the extent owned by Owner, oil and mineral rights, leases and other agreements which will continue in effect after Owner's transfer of title to the Property.

3.2 Within five business days after the commencement of the Term hereof, Owner shall provide Agent with the following:

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(a) A duly completed and fully executed Property Information Sheet on the most current form published by the AIR;  
(b) Copies of all leases, subleases, rental agreements, option rights, rights of first refusal, rights of first offer, or other documents containing any other limitations on Owner's right, ability and capacity to consummate a Transaction; and  
(c) If available to Owner, copies of building plans, and if the Transaction is a sale, this report, boundary surveys, and existing notes and trust deeds which will continue to affect the Property after consummation of a sale.  
3.3 Agent shall have no responsibility for maintenance, repair, replacement, operation, or security of the Property, all of which shall be Owner's sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of Owner, any lessees of the Property, any buyer, prospective buyer, lessee, or prospective lessee, including, but not limited to, those which may occur as a result of Agent's use of a lock box.

4. **EXTENSION OF TERM.** If the Transaction is a sale, and a sale is not consummated for any reason after Owner accepts an offer to purchase the Property ("Sale Agreement"), then the expiration date of the Term of this Agreement shall be extended by the number of days that elapsed between the date Owner entered into the Sale Agreement and the later of the date on which the Sale Agreement is terminated or the date Owner is able to convey title to a new buyer free and clear of any claims by the prior buyer of the Property; provided, however, in no event shall the Term be so extended beyond one year from the date the Term would have otherwise expired.

5. **COMMISSION.**

5.1 Owner shall pay Agent a commission ☐ in the amount of \_\_\_\_\_

☒ In accordance with the commission schedule attached hereto ("Agreed Commission"), for a Transaction, whether such Transaction is consummated as a result of the efforts of Agent, Owner, or some other person or entity. Agent shall also be entitled to the Agreed Commission if any of the Owner's representations and warranties described in paragraph 5 are shown to be false. Such Agreed Commission is payable:

(a) If the Transaction is a sale, (i) the Property is sold; (ii) Owner breaches or repudiates any Sale Agreement, escrow instructions or other documents executed by Owner regarding the sale of the Property; (iii) the Property or any interest therein is voluntarily or involuntarily sold, conveyed, contributed or transferred; (iv) the Property or any interest therein is taken under the power of Eminent Domain or sold under threat of condemnation; or (v) if Owner is a partnership, joint venture, limited liability company, corporation, trust or other entity, and any interest in Owner is voluntarily or involuntarily sold, contributed, conveyed or transferred to another person or entity that, as of the date hereof, does not have any ownership interest in Owner;

(b) If the Transaction is a lease and a lease of the Property, or a portion thereof is executed; or

(c) If Owner (i) removes or withdraws the Property from a Transaction or the market; (ii) acts as if the Property is not available for a Transaction; (iii) treats the Property as not available for a Transaction; (iv) breaches, terminates, cancels or repudiates this Agreement; (v) renders the Property unmarketable; or (vi) changes the status of the Property's title, lease, agreements, physical condition or other aspects thereof, which such change adversely impacts the value, use, desirability or marketability of the Property.

(d) If earnest money or similar deposits made by a prospective purchaser or tenant are forfeited Agent shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the commission that would have been payable had the sale or lease transaction been consummated.

5.2 If the Transaction is a sale, the purchase agreement and/or escrow instructions to be entered into by and between Owner and a buyer of the Property shall provide that:

(a) Owner irrevocably instructs the escrow holder to pay from Owner's proceeds accruing to the account of Owner at the close of escrow the Agreed Commission to Agent;

(b) A contingency to the consummation of the sale shall be the payment of the Agreed Commission to Agent at or prior to close of the escrow; and

(c) No change shall be made by Owner or buyer with respect to the time of, amount of, or the conditions to payment of the Agreed Commission, without Agent's written consent.

6. **ALTERNATIVE TRANSACTION.** If the Transaction changes to any other transaction, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground lease, lease, sublease or assignment of lease (collectively "Alternative Transaction"), then Agent shall automatically be Owner's sole and exclusive Agent for such Alternative Transaction and represent Owner in such Alternative Transaction, under the terms and conditions of this Agreement. If, during the Term hereof, an Alternative Transaction is entered into, then Owner shall pay Agent the Agreed Commission.

7. **EXCLUDED AND REGISTERED PERSONS.**

7.1 Owner shall, within 5 business days after the date hereof, provide Agent, in writing, with the names of those persons or entities registered with Owner by any other broker under any prior agreement concerning the Property ("Excluded Persons", see paragraph 7.6). Owner shall also specify for each Excluded Person the type of transaction the consummation of which during the Term of this Agreement entitles such other broker to any compensation ("Excluded Transaction"). Agent may within 10 days of receiving such written list, either (a) accept the Excluded Persons and Excluded Transactions, (b) cancel this Agreement, or (c) attempt to renegotiate this portion of the Agreement with Owner. Once accepted by Agent, the written list shall automatically become an exhibit to this Agreement. If Owner timely provides Agent with the names of the Excluded Persons and specifies the Excluded Transaction for each Excluded Person, then the Agreed Commission paid to Agent with respect to consummation of such an Excluded Transaction with an Excluded Person shall be limited as follows: If such Excluded Transaction is concluded within the first 30 days of the commencement of the Term hereof, then Agent shall be paid a commission equal to the reasonable out-of-pocket expenses incurred by Agent in the marketing of the Property during said 30 days; or if such Excluded Transaction is concluded during the remainder of the Term hereof, then Agent shall be entitled to a commission equal to one-half of the Agreed Commission. If the specified information concerning Excluded Persons and Transactions is not provided as set forth herein, then it shall be conclusively deemed that there are no Excluded Persons.

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the name of those persons or entities with whom Agent either directly or through another broker had negotiated during the Term hereof ("Registered Persons", see paragraph 7.6), and specify the type of transaction of the Property for which such negotiations were conducted ("Registered Transaction"). Those persons or entities who submitted written offers or letters of intent shall, however, automatically be deemed to be Registered Persons for the type of transaction which was the subject of such offer or letter of intent. If Agent fails to timely notify Owner of the existence of any other Registered Persons, then it shall be conclusively deemed that there are no other Registered Persons. A person or entity shall not be a Registered Person if Agent fails to timely specify a Registered Transaction for such person or entity. The parties are aware that the registration of certain individuals and/or entities might create a Dual Agency, and Owner hereby consents to any such Dual Agency.

7.3 If, within 180 days after the expiration of the Term hereof, Owner enters into a contract with a Registered Person for consummation of a Registered Transaction, then Owner shall, upon consummation of such Registered Transaction, pay Agent the Agreed Commission for the Registered Transaction.

7.4 If, within 180 days after the expiration of the Term hereof, Owner enters into another owner-agency or listing agreement with a broker other than Agent for any transaction concerning the Property, then Owner shall provide to Owner's new broker the names of the Registered Persons and the Registered Transaction for each Registered Person, and provide in such new agreement that the new broker shall not be entitled to receive any of the compensation payable to Agent hereunder for consummation of a Registered Transaction with a Registered Person.

7.5 In order to qualify to be an Excluded Person or a Registered Person the individual or entity must have: toured the Property, submitted a letter of interest or intent, and/or made an offer to buy or lease the Property. In addition, Excluded Persons may only be registered by a broker who previously had a valid listing agreement covering the Property, and such broker may only register individuals and entities actually procured by such listing broker.

8. **OWNER'S REPRESENTATIONS.**

Owner represents and warrants that:

(a) Each person executing this Agreement on behalf of Owner has the full right, power and authority to execute this Agreement as or on behalf of Owner;

(b) Owner owns the Property and/or has the full right, power and authority to execute this Agreement and to consummate a Transaction as provided herein, and to perform Owner's obligations hereunder;

(c) Neither Owner nor the Property is the subject of a bankruptcy, insolvency, probate or conservatorship proceeding;

(d) Owner has no notice or knowledge that any lessee or sublessee of the Property, if any, is the subject of a bankruptcy or insolvency proceeding;

(e) There are no effective, valid or enforceable option rights, rights of first refusal, rights of first offer or any other restrictions, impairments or limitations on Owner's right, ability and capacity to consummate a Transaction, except as disclosed in writing pursuant to Paragraph 3.2(b).

(f) That as of the date of this Agreement the asking sales price is not less than the total of all monetary encumbrances on the Property.

  
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9. **OWNER'S ACKNOWLEDGMENTS.** Owner acknowledges that it has been advised by Agent to consult and retain experts to advise and represent it concerning the legal and tax effects of this Agreement and consummation of a Transaction or Alternative Transaction, as well as the condition and/or legality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Agent shall have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Agent. Owner further acknowledges that in determining the financial soundness of any prospective buyer, lessee or security offered, Owner will rely solely upon Owner's own investigation, notwithstanding Agent's assistance in gathering such information.

10. **MISCELLANEOUS.**

10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance with the mutual intent of the parties ascertainable from the language of this Agreement.

10.2 All payments by Owner to Agent shall be made in lawful United States currency. If Owner fails to pay to Agent any amount when due under this Agreement, then such amount shall bear interest at the rate of 15% per annum or the maximum rate allowed by law, whichever is less.

10.3 In the event of litigation or arbitration between Owner and Agent arising under or relating to this Agreement or the Property, the prevailing party shall be paid its attorney's fees and costs by the losing party. The term, "Prevailing Party" shall include, without limitation, one who substantially obtains or defends the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorney's fees award shall not be computed in accordance with any court fee schedule, but shall be in an amount to fully reimburse all attorney's fees reasonably incurred in good faith.

10.4 Owner agrees to indemnify, defend (with counsel reasonably acceptable to Agent), and hold Agent harmless from and against any claim or liability asserted against Agent as a result of the failure of Owner to make a full and complete disclosure pursuant to law and paragraph 3.2(a) or as a result of the fact that any of the representations made by Owner (see paragraph 8) were not true at the time that this Agreement was signed.

10.5 Owner hereby releases and relieves Agent, and waives Owner's entire right of recovery against Agent, for direct or consequential loss or damage arising out of or incident to the perils covered by insurance carried by Owner, unless whether or not due to the negligence of Agent.

10.6 In the event that the Transaction is not an outright sale, Owner agrees that if Agent is not paid the Agreed Commission provided for herein within thirty days of the date due, that Agent shall have a lien in the amount of such commission, and may record a notice of such lien, against the Property.

10.7 Owner agrees that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to the services to be performed by Agent pursuant to this Agreement may be brought against Agent more than one year after the expiration of the Term of this Agreement (see paragraph 1.3) and that the liability (including court costs and attorney's fees) of Agent with respect to any such lawsuit and/or legal proceeding shall not exceed any fee received by Agent pursuant to this Agreement; provided, however, that the foregoing limitation on liability shall not be applicable to any gross negligence or willful misconduct of Agent.

11. **ARBITRATION OF DISPUTES.**

11.1 ANY CONTROVERSY ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE DETERMINED BY BINDING ARBITRATION TO BE CONDUCTED BY: ☐ THE AMERICAN ARBITRATION ASSOCIATION OR ☐ USING THE COMMERCIAL RULES ESTABLISHED BY SUCH ORGANIZATION OR IF NONE THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL RULES. ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

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

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

Owner's Initials

Agent's Initials

11.4 THE PROVISIONS OF THE ABOVE ARBITRATION CLAUSE SHALL NOT BE BINDING ON EITHER PARTY UNLESS BOTH PARTIES HAVE PLACED THEIR INITIALS UNDER PARAGRAPH 11.3.

12. **Additional Provisions:** Additional provisions of this Agreement are set forth in the following blank lines or in an addendum attached hereto and made a part hereof consisting of paragraphs None through None (if there are no additional provisions write "NONE");

13. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.** When entering into an agreement with a real estate agent an Owner should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction.

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

(ii) **Agent Representing Both Parties.** A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both Parties in a transaction, but only with the knowledge and consent of the Parties. In a dual agency situation, the agent has the following affirmative obligations to both Parties: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Party. b. Other duties to the Owner as stated above in subparagraph (i). When representing both Parties, an agent may not without the express permission of the respective Party, disclose to the other Party that the Owner will accept rent/purchase price in an amount less than that indicated in the listing or that the buyer/lessee is willing to pay a higher rent/purchase price than that offered.

14. The agent of record for the property shall be Michael J. Hartel. The owner reserves the right to cancel the subject listing with one (1) day written notice to the broker if Michael J. Hartel ceases to be employed by broker.

The above duties of the Agent do not relieve Owner from the responsibility to protect its own interests. Owner should carefully read all agreements to assure that they adequately express its understanding of the transaction.

"OWNER"

"AGENT"

Hartel Partners, Inc.

Colliers International

By:

By:

Name Printed: Robert J. Sarnis

Name Printed: Robert G. Caudill

Title:

Title: Regional Director

Date:

Date:

Agent BRE License #: 00813110

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you

INITIALS

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INITIALS



are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.  
Telephone No. (213) 557-5777. Fax No.: (213) 687-8816.

  
INITIALS

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INITIALS

FORM OA-7-3/18E



Proposed Commission Structure - Exhibit "A"

**BUILDING LEASING**

Colliers International Marketing Team: Michael Hartel & Nick Velasquez

Now Lease - Marketing Team represents both sides of the lease:	
Years 1-5	(4%) = Four percent of years 1-5.
Years 6-10	(2%) = Two percent of years 6-10.

Now Lease - Tenant is represented by a broker other than the Marketing Team:	
Years 1-5	(4%) = Four percent of years 1-5 to the procuring Broker. (2%) = Two percent of years 1-5 to Colliers International.
Years 6-10	(2%) = Two percent of years 6-10 to the procuring Broker. (1.5%) = One and one-half percent of years 6-10 to Colliers International.

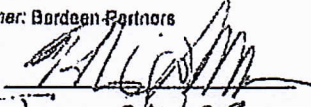
Tenant Renewal - Marketing Team represents both sides of the lease:	
Years 1-5	(2%) = Two percent of years 1-5 to Colliers International.
Years 6-10	(1%) = One percent of years 6-10 to Colliers International.

Tenant Renewal - Tenant is represented by a broker other than the Marketing Team:	
Years 1-5	(3%)* = Three percent of years 1-5 to procuring Broker. (1.5%) = One and one-half percent of years 1-5 to Colliers International.
Years 6-10	(1.8%)* = One and one-half percent of years 6-10 to procuring Broker. (0.75%) = Three-quarters percent of years 6-10 to Colliers International.


\*Negotiable on case by case basis. Any or additional fees, bonuses or incentives agreed to by Bardeen Partners to be paid to tenant's broker shall not affect Colliers Marketing Team's fee.

**AGREED & ACCEPTED**

Owner: Bardeen Partners

By:   
Its: Treasurer  
Date: 3-14-16

Agent: Colliers International Greater Los Angeles, Inc.

By:   
Its: Daniel P. Miller  
Date: 3-15-16

Note: This page is intentionally left blank.



**FOURTH LISTING AMENDMENT**

**THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement")**, is entered into on March 2, 2020 ("**Effective Date**"), by and between Irvine Ranch Water District ("Owner") and Colliers International Greater Los Angeles ("**Colliers**"), as Agent for that certain property commonly known as Building 1 & 2 Waterworks Business Park, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 28, 2021.

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF**, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

**OWNER: IRVINE RANCH WATER  
DISTRICT**

**COLLIERS INTERNATIONAL GREATER  
LOS ANGELES, INC.**

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name: Robert G. Caudill

Lic. No.: 01908231

Title: Regional Director

Date: \_\_\_\_\_

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614



THIRD LISTING AMENDMENT

THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement"), is entered into on February 29, 2019 ("Effective Date"), by and between Irvine Ranch Water District ("Owner") and Colliers International Greater Los Angeles ("Colliers"), as Agent for that certain property commonly known as Building 1 & 2 Waterworks Business Park, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 28, 2020.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

OWNER: IRVINE RANCH WATER  
DISTRICT

COLLIERS INTERNATIONAL GREATER  
LOS ANGELES, INC.

Name: Robert Jacobson

Name: Robert G. Caudill

Title: Treasurer

Lic. No.: 01908231

Date: 1-21-18

Title: Regional Director

Address: 15600 SAND CANYON  
IRVINE, CA 92619

Date: \_\_\_\_\_  
Address: 3 Park Plaza, Suite 1200  
Irvine, CA 92614





**SECOND LISTING AMENDMENT**

**THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement")**, is entered into on **February 8, 2017** ("Effective Date"), by and between **Irvine Ranch Water District ("Owner")** and **Colliers International Greater Los Angeles ("Colliers")**, as **Agent** for that certain property commonly known as **Building 1 & 2 Waterworks Business Park, Irvine, California**; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 28, 2019.

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF**, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

**OWNER: IRVINE RANCH WATER DISTRICT**

Name: Robert Jacobson

Title: Treasurer

Date: 5-3-18

Address: 15600 Sand Canyon  
Irvine, CA 92619

**COLLIERS INTERNATIONAL GREATER LOS ANGELES, INC.**

  
Robert Caudill (May 16, 2018)

Name: Robert G. Caudill

Lic. No.: 01908231

Title: Regional Director

Date: May 16, 2018

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614





**LISTING AMENDMENT**

**THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement")**, is entered into on February 8, 2017 ("**Effective Date**"), by and between Irvine Ranch Water District ("**Owner**") and Colliers International Greater Los Angeles ("**Colliers**"), as Agent for that certain property commonly known as Building 1 & 2 Waterworks Business Park, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 07, 2018.

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF**, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

**OWNER: IRVINE RANCH WATER DISTRICT**

A handwritten signature in blue ink, appearing to read "Robert Jacobson", written over a horizontal line.

Name: Robert Jacobson

Title: Treasurer

Date: 2-20-17

Address: 15600 Sand Canyon Ave.

Irvine, CA. 92618

**COLLIERS INTERNATIONAL GREATER LOS ANGELES, INC.**

A handwritten signature in blue ink, appearing to read "Robert G. Caudill", written over a horizontal line.

Name: Robert G. Caudill

Lic. No.: 00813140

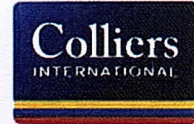
Title: Regional Director

Date: 2/28/17

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614





Please note that the terms "Seller" and "Buyer" are defined by the CA Civil Code to include a lessor and lessee, respectively.

*If you are the Listing Agent* – you must deliver the form to the seller/lessor in the Representation Agreement. You must also deliver the form to the buyer/lessee once the Letter of Intent is prepared, or where a legitimate interest/intent to be bound is shown (e.g. no outstanding negotiations).

*If you are the Buyer's Agent* – you must deliver the form to the buyer/lessee in the Representation Agreement. In addition, you must deliver the form to the seller/lessor once the Letter of Intent is prepared, or where a legitimate interest/intent to be bound is shown (e.g. no outstanding negotiations).

#### DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

##### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

**To the Seller:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

**To the Buyer and the Seller:**

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

##### BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

**To the Buyer:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

**To the Buyer and the Seller:**

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

##### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

Colliers International Greater Los Angeles Inc.

Agent Printed Name Michael Hartel  
 Associate Licensee Signature Michael Hartel (date)  
 Associate Licensee Printed Name

Buyer/Lessee Signature [Signature] (date)  
 Buyer/Lessee Printed Name [Signature]  
 Seller/Lessor Signature Robert Jacobson (date)  
 Seller/Lessor Printed Name



# Exhibit "B"

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

- (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained.
- (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensee who performs as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.
- (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction.
- "Buyer" includes vendee or lessee.
- (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29.
- (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.
- (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.
- (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation.
- (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.
- (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.
- (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller.
- (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.
- (l) "Real property transaction" means a transaction for the sale of real property in which an agent is property that are not known to, or within the diligent attention and observation of, the employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.
- (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property 95 Ch 200 — 2 — between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration.
- (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor.
- (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.
- (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows:

- (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.
- (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a).
- (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained from the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required.
- (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.
- 2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.
- 2079.16 The disclosure form required by Section 2079.14 shall have Sections 2079.13 to 2079.24, inclusive, excluding this section, printed on the back, and on the front of the disclosure form the following shall appear:

## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

- To the Seller:
  - A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
- To the Buyer and the Seller:
  - (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
  - (b) A duty of honest and fair dealing and good faith.
  - (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the

parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

**SAMPLE ONLY - DO NOT COMPLETE**

Agent	(date)	Buyer/Seller (date)
		(Signature)
Associate Licensee (Signature)	(date)	Buyer/Seller (date)
		(Signature)

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the listing agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.

(b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

**SAMPLE ONLY - DO NOT COMPLETE**

\_\_\_\_\_ is the agent of

(Name of Listing Agent)

(check one):

( ) the seller exclusively; or

( ) both the buyer and seller.

\_\_\_\_\_ is the agent of

(Name of Selling Agent if not the same as the Listing Agent)

(check one):

( ) the buyer exclusively; or

( ) the seller exclusively; or

( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer.

This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.





## EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY

(Non-Residential)

AIR COMMERCIAL REAL ESTATE ASSOCIATION

### 1. BASIC PROVISIONS ("BASIC PROVISIONS").

1.1 Parties: This agency Agreement ("Agreement"), dated for reference purposes only February 4, 2016, is made by and between Irvine Ranch Water District, whose address is 15600 Sand Canyon Ave, Irvine, CA 92618, telephone number (949) 453-5358, Fax No. (949) 453-0128 ("Owner"), and Colliers International, whose address is 3 Park Plaza, Suite 1200, Irvine, CA 92614, telephone number (949) 724-5500, Fax No. (949) 724-5600 ("Agent").

1.2 Property/Premises: The real property, or a portion thereof, which is the subject of this Agreement is commonly known by the street address of Building 1 & 2 Waterworks Business Park, located in the City of Irvine, County of Orange, State of California, and generally described as (describe briefly the nature of the property): an approximate 37,240 SF industrial multi-tenant project. ("Property"). (See also Paragraph 3).

1.3 Term of Agreement: The term of this Agreement shall commence on February 4, 2016 and expire at 5:00 p.m. on February 3, 2017, except as it may be extended ("Term"). (See also paragraph 4)

1.4 Transaction: The nature of the transaction concerning the Property for which Agent is employed ("Transaction") is (check the appropriate box(es)):

(a) ☐ A sale for the following sale price and terms:

and other additional standard terms reasonably similar to those contained in the "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE" published by the AIR Commercial Real Estate Association ("AIR"), or for such other price and terms agreeable to Owner;

(b) ☒ A lease or other tenancy for the following rent and terms: as determined by Owner

and other additional standard terms reasonably similar to those contained in the appropriate AIR lease form or for such other rent and terms agreeable to Owner.

### 2. EXCLUSIVE EMPLOYMENT AND RIGHTS.

2.1 Owner hereby employs Agent as Owner's sole and exclusive agent to represent Owner in the Transaction and to find buyers or lessees/tenants ("lessee"), as the case may be, for the Property. Agent shall use reasonably diligent efforts to find such buyers or lessees. All negotiations and discussions for a Transaction shall be conducted by Agent on behalf of Owner. Owner shall promptly disclose and refer to Agent all written or oral inquiries or contacts received by Owner from any source regarding a possible Transaction.

2.2 Owner authorizes Agent to:

- (a) Place advertising signs on the Property;
- (b) Place a lock box on the Property if vacant;
- (c) Accept deposits from potential buyers or lessees; and
- (d) Distribute information regarding the Property to participants in THE MULTIPLE ("MULTIPLE") of the AIR and/or any other appropriate local commercial multiple listing service, to other brokers, and to potential buyers or lessees of the Property. Owner shall identify as "confidential" any information provided to Agent that Owner considers confidential and does not want disclosed. All other information provided by Owner may be disclosed as Agent may deem appropriate or necessary. After consummation of a Transaction, Agent may publicize the terms of such Transaction.

2.3 Agent shall comply with the Rules of Professional Conduct of the AIR, if a member or if not, the Rules of Professional Conduct of the Society of Industrial and Office Realtors, and shall submit the Property to the MULTIPLE. Agent shall cooperate with participants in the MULTIPLE and may, at Agent's election, cooperate with other real estate brokers (collectively "Cooperating Broker").

2.4 If the Transaction is a sale and Agent finds a prospective buyer for the Property, or if the Transaction is a lease and Agent finds a prospective lessee for the Property, Owner hereby authorizes Agent also to represent and act as the agent for such buyer or lessee, and Owner consents to such dual agency. If a Cooperating Broker finds such a buyer or lessee, then Agent shall act as agent for Owner only, the Cooperating Broker shall act as agent for the buyer or lessee only, and the Cooperating Broker shall not be Owner's agent, even though the Cooperating Broker may share in the commission paid by Owner to Agent. A Cooperating Broker shall not be an agent or subagent of Owner or Agent.

2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property by showing and providing information on the Property, as well as on other competing properties, to prospective buyers and lessees and that such activities may result in the payment of a commission to Agent by a third party.

### 3. PROPERTY.

3.1 The term "Property" shall include all of the following which are currently located on the Property and owned by Owner: permanent improvements, electrical distribution systems (power panels, bus ducting, conduits, disconnects, lighting fixtures, etc.), telephone-distribution-systems (lines, jacks-and-connections), space-heaters, air conditioning equipment, air-vents, cupola, window coverings, wall coverings, partitions, doors, suspended ceilings, built-in such as cabinets, and None

(If there are no additional items write "NONE"). If the Transaction is a sale, the term "Property" shall additionally include, to the extent owned by Owner, oil and mineral rights, leases and other agreements which will continue in effect after Owner's transfer of title to the Property.

3.2 Within five business days after the commencement of the Term hereof, Owner shall provide Agent with the following:

INITIALS

PAGE 1 OF 4

INITIALS



## Exhibit "B"

(a) A duly completed and fully executed Property Information Sheet on the most current form published by the AIR;  
(b) Copies of all leases, subleases, rental agreements, option rights, rights of first refusal, rights of first offer, or other documents containing any other limitations on Owner's right, ability and capacity to consummate a Transaction; and  
(c) If available to Owner, copies of building plans, and if the Transaction is a sale, title reports, boundary surveys, and existing notes and trust deeds which will continue to affect the Property after consummation of a sale.

3.3 Agent shall have no responsibility for maintenance, repair, replacement, operation, or security of the Property, any of which shall be Owner's sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of Owner, any lessees of the Property, any buyer, prospective buyer, lessee, or prospective lessee, including, but not limited to, those which may occur as a result of Agent's use of a lock box.

4. **EXTENSION OF TERM.** If the Transaction is a sale, and a sale is not consummated for any reason after Owner accepts an offer to purchase the Property ("Sale Agreement"), then the expiration date of the Term of this Agreement shall be extended by the number of days that elapsed between the date Owner entered into the Sale Agreement and the later of the date on which the Sale Agreement is terminated or the date Owner is able to convey title to a new buyer free and clear of any claims by the prior buyer of the Property; provided, however, in no event shall the Term be so extended beyond one year from the date the Term would have otherwise expired.

#### 5. COMMISSION.

5.1 Owner shall pay Agent a commission ☐ in the amount of \_\_\_\_\_

☒ In accordance with the commission schedule attached hereto ("Agreed Commission"), for a Transaction, whether such Transaction is consummated as a result of the efforts of Agent, Owner, or some other person or entity, Agent shall also be entitled to the Agreed Commission if any of the Owner's representations and warranties described in paragraph 6 are shown to be false. Such Agreed Commission is payable:

(a) If the Transaction is a sale, (i) the Property is sold; (ii) Owner breaches or repudiates any Sale Agreement, escrow instructions or other documents executed by Owner regarding the sale of the Property; (iii) the Property or any interest therein is voluntarily or involuntarily sold, conveyed, contributed or transferred; (iv) the Property or any interest therein is taken under the power of Eminent Domain or sold under threat of condemnation; or (v) if Owner is a partnership, joint venture, limited liability company, corporation, trust or other entity, and any interest in Owner is voluntarily or involuntarily sold, contributed, conveyed or transferred to another person or entity that, as of the date hereof, does not have any ownership interest in Owner;

(b) If the Transaction is a lease and a lease of the Property, or a portion thereof is executed; or

(c) If Owner (i) removes or withdraws the Property from a Transaction or the market; (ii) acts as if the Property is not available for a Transaction; (iii) treats the Property as not available for a Transaction; (iv) breaches, terminates, cancels or repudiates this Agreement; (v) renders the Property unmarketable; or (vi) changes the status of the Property's title, leases, agreements, physical condition or other aspects thereof, which such change adversely impacts the value, use, desirability or marketability of the Property.

(d) If earnest money or similar deposits made by a prospective purchaser or tenant are forfeited Agent shall be entitled to one-half (½) thereof, but not to exceed the total amount of the commission that would have been payable had the sale or lease transaction been consummated.

5.2 If the Transaction is a sale, the purchase agreement and/or escrow instructions to be entered into by and between Owner and a buyer of the Property shall provide that:

(a) Owner irrevocably instructs the escrow holder to pay from Owner's proceeds according to the account of Owner at the close of escrow the Agreed Commission to Agent;

(b) A contingency to the consummation of the sale shall be the payment of the Agreed Commission to Agent at or prior to close of the escrow; and

(c) No change shall be made by Owner or buyer with respect to the time of, amount of, or the conditions to payment of the Agreed Commission, without Agent's written consent.

6. **ALTERNATIVE TRANSACTION.** If the Transaction changes to any other transaction, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground lease, lease, sublease or assignment of lease (collectively "Alternative Transaction"), then Agent shall automatically be Owner's sole and exclusive Agent for such Alternative Transaction and represent Owner in such Alternative Transaction, under the terms and conditions of this Agreement. If, during the Term hereof, an Alternative Transaction is entered into, then Owner shall pay Agent the Agreed Commission.

#### 7. EXCLUDED AND REGISTERED PERSONS.

7.1 Owner shall, within 5 business days after the date hereof, provide Agent, in writing, with the names of those persons or entities registered with Owner by any other broker under any prior agreement concerning the Property ("Excluded Persons", see paragraph 7.5). Owner shall also specify for each Excluded Person the type of transaction the consummation of which during the Term of this Agreement entitles such other broker to any compensation ("Excluded Transaction"). Agent may within 10 days of receiving such written list, either (a) accept the Excluded Persons and Excluded Transactions, (b) cancel this Agreement, or (c) attempt to renegotiate this portion of the Agreement with Owner. Once accepted by Agent, the written list shall automatically become an exhibit to this Agreement. If Owner timely provides Agent with the names of the Excluded Persons and specifies the Excluded Transaction for each Excluded Person, then the Agreed Commission paid to Agent with respect to consummation of such an Excluded Transaction with an Excluded Person shall be limited as follows: If such Excluded Transaction is concluded within the first 30 days of the commencement of the Term hereof, then Agent shall be paid a commission equal to the reasonable out-of-pocket expenses incurred by Agent in the marketing of the Property during said 30 days; or if such Excluded Transaction is concluded during the remainder of the Term hereof, then Agent shall be entitled to a commission equal to one-half of the Agreed Commission. If the specified information concerning Excluded Persons and Transactions is not provided as set forth herein, then it shall be conclusively deemed that there are no Excluded Persons.

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the names of those persons or entities with whom Agent either directly or through another broker had negotiated during the Term hereof ("Registered Persons", see paragraph 7.5), and specify the type of transaction of the Property for which such negotiations were conducted ("Registered Transaction"). Those persons or entities who submitted written offers or letters of intent shall, however, automatically be deemed to be Registered Persons for the type of transaction which was the subject of such offer or letter of intent. If Agent fails to timely notify Owner of the existence of any other Registered Persons, then it shall be conclusively deemed that there are no other Registered Persons. A person or entity shall not be a Registered Person if Agent fails to timely specify a Registered Transaction for such person or entity. The parties are aware that the registration of certain individuals and/or entities might create a Dual Agency, and Owner hereby consents to any such Dual Agency.

7.3 If, within 180 days after the expiration of the Term hereof, Owner enters into a contract with a Registered Person for consummation of a Registered Transaction, then Owner shall, upon consummation of such Registered Transaction, pay Agent the Agreed Commission for the Registered Transaction.

7.4 If, within 180 days after the expiration of the Term hereof, Owner enters into another owner-agency or listing agreement with a broker other than Agent for any transaction concerning the Property, then Owner shall provide to Owner's new broker the names of the Registered Persons and the Registered Transaction for each Registered Person, and provide in such new agreement that the new broker shall not be entitled to receive any of the compensation payable to Agent hereunder for consummation of a Registered Transaction with a Registered Person.

7.5 In order to qualify to be an Excluded Person or a Registered Person the individual or entity must have: toured the Property, submitted a letter of interest or intent, and/or made an offer to buy or lease the Property. In addition, Excluded Persons may only be registered by a broker who previously had a valid listing agreement covering the Property, and such broker may only register individuals and entities actually procured by such listing broker.

#### 8. OWNER'S REPRESENTATIONS.

Owner represents and warrants that:

(a) Each person executing this Agreement on behalf of Owner has the full right, power and authority to execute this Agreement as or on behalf of Owner;

(b) Owner owns the Property and/or has the full right, power and authority to execute this Agreement and to consummate a Transaction as provided herein, and to perform Owner's obligations hereunder;

(c) Neither Owner nor the Property is the subject of a bankruptcy, insolvency, probate or conservatorship proceeding;

(d) Owner has no notice or knowledge that any lessee or sublessee of the Property, if any, is the subject of a bankruptcy or insolvency proceeding;

(e) There are no effective, valid or enforceable option rights, rights of first refusal, rights of first offer or any other restrictions, impediments or limitations on Owner's right, ability and capacity to consummate a Transaction, except as disclosed in writing pursuant to Paragraph 3.2(b).

(f) That as of the date of this Agreement the asking sales price is not less than the total of all monetary encumbrances on the Property.

  
INITIALS

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INITIALS



# Exhibit "B"

9. **OWNER'S ACKNOWLEDGMENTS.** Owner acknowledges that it has been advised by Agent to consult and retain experts to advise and represent it concerning the legal and tax effects of this Agreement and consummation of a Transaction or Alternative Transaction, as well as the condition and/or legality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Agent shall have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Agent. Owner further acknowledges that in determining the financial soundness of any prospective buyer, lessee or security offered, Owner will rely solely upon Owner's own investigation, notwithstanding Agent's assistance in gathering such information.

## 10. MISCELLANEOUS.

10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance with the mutual intent of the parties ascertainable from the language of this Agreement.

10.2 All payments by Owner to Agent shall be made in lawful United States currency. If Owner fails to pay to Agent any amount within due under this Agreement, then such amount shall bear interest at the rate of 15% per annum or the maximum rate allowed by law, whichever is less.

10.3 In the event of litigation or arbitration between Owner and Agent arising under or relating to this Agreement or the Property, the prevailing party shall be paid its attorney's fees and costs by the losing party. The term, "Prevailing Party" shall include, without limitation, one who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorney's fees award shall not be computed in accordance with any court fee schedule, but shall be in an amount to fully reimburse all attorney's fees reasonably incurred in good faith.

10.4 Owner agrees to indemnify, defend (with counsel reasonably acceptable to Agent), and hold Agent harmless from and against any claim or liability asserted against Agent as a result of the failure of Owner to make a full and complete disclosure pursuant to law and paragraph 3.2(u) or as a result of the fact that any of the representations made by Owner (see paragraph 8) were not true at the time that this Agreement was signed.

10.5 Owner hereby releases and releases Agent, and waives Owner's entire right of recovery against Agent, for direct or consequential loss or damage arising out of or incident to the parties covered by insurance carried by Owner, unless ~~whether or not~~ due to the negligence of Agent.

10.6 In the event that the Transaction is not an outright sale, Owner agrees that if Agent is not paid the agreed Commission provided for herein within thirty days of the date due, that Agent shall have a lien in the amount of such commission, and may record a notice of such lien, against the Property.

10.7 Owner agrees that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to the services to be performed by Agent pursuant to this Agreement may be brought against Agent more than one year after the expiration of the Term of this Agreement (see paragraph 1.3) and that the liability (including court costs and attorney's fees) of Agent with respect to any such lawsuit and/or legal proceeding shall not exceed any fee received by Agent pursuant to this Agreement; provided, however, that the foregoing limitation on liability shall not be applicable to any gross negligence or willful misconduct of Agent.

## 11. ARBITRATION OF DISPUTES.

11.1 ANY CONTROVERSY ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE DETERMINED BY BINDING ARBITRATION TO BE CONDUCTED BY: ☐ THE AMERICAN ARBITRATION ASSOCIATION OR ☐ USING THE COMMERCIAL RULES ESTABLISHED BY SUCH ORGANIZATION OR IF NONE THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL RULES. ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

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

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

Owner's Initials

Agent's Initials

11.4 THE PROVISIONS OF THE ABOVE ARBITRATION CLAUSE SHALL NOT BE BINDING ON EITHER PARTY UNLESS BOTH PARTIES HAVE PLACED THEIR INITIALS UNDER PARAGRAPH 11.3.

12. **Additional Provisions:** Additional provisions of this Agreement are set forth in the following blank lines or in an addendum attached hereto and made a part hereof consisting of paragraphs None through None (If there are no additional provisions write "NONE"):

13. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.** When entering into an agreement with a real estate agent an Owner should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction.

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

(ii) **Agent Representing Both Parties.** A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both Parties in a transaction, but only with the knowledge and consent of the Parties. In a dual agency situation, the agent has the following affirmative obligations to both Parties: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Party. b. Other duties to the Owner as stated above in subparagraph (i). When representing both Parties, an agent may not without the express permission of the respective Party, disclose to the other Party that the Owner will accept rent/purchase price in an amount less than that indicated in the listing or that the buyer/lessee is willing to pay a higher rent/purchase price than that offered.

14. The agent of record for the property shall be Michael J. Hartel. The owner reserves the right to cancel the subject listing with one (1) day written notice to the broker if Michael J. Hartel ceases to be employed by broker.

The above duties of the Agent do not relieve Owner from the responsibility to protect its own interests. Owner should carefully read all agreements to assure that they adequately express its understanding of the transaction.

"OWNER"

"AGENT"

Irvine Ranch Water District

Colliers International

By:

By:

Name Printed:

Robert Jacobson

Name Printed:

Robert G. Caudill

Title:

Treasurer

Title:

Regional Director

Date:

3-19-2016

Date:

3-18-16

Agent BRE License #: 00613140

INITIALS

INITIALS



## Exhibit "B"

**NOTICE:** These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8610.



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FORM OA-7-3/15E



# Exhibit "B"

## Proposed Commission Structure - Exhibit "A"

### BUILDING LEASING

Colliers International Marketing Team: Michael Hartel & Nick Velasquez

<b>New Lease - Marketing Team represents both sides of the lease:</b>	
Years 1-5	(4%) = Four percent of years 1-5.
Years 6-10	(2%) = Two percent of years 6-10.

<b>New Lease - Tenant is represented by a broker other than the Marketing Team:</b>	
Years 1-5	(4%) = Four percent of years 1-5 to the procuring Broker. (2%) = Two percent of years 1-5 to Colliers International.
Years 6-10	(2%) = Two percent of years 6-10 to the procuring Broker. (1.5%) = One and one-half percent of years 6-10 to Colliers International.

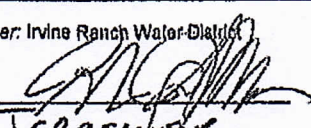
<b>Tenant Renewal - Marketing Team represents both sides of the lease:</b>	
Years 1-5	(2%) = Two percent of years 1-5 to Colliers International.
Years 6-10	(1%) = One percent of years 6-10 to Colliers International.

<b>Tenant Renewal - Tenant is represented by a broker other than the Marketing Team:</b>	
Years 1-5	(3%)* = Three percent of years 1-5 to procuring Broker. (1.5%) = One and one-half percent of years 1-5 to Colliers International.
Years 6-10	(1.5%)* = One and one-half percent of years 6-10 to procuring Broker. (0.75%) = Three-quarters percent of years 6-10 to Colliers International.


\*Negotiable on case by case basis. Any or additional fees, bonuses or incentives agreed to by Irvine Ranch Water District to be paid to tenant's broker shall not affect Colliers Marketing Team's fee.

### AGREED & ACCEPTED

Owner: Irvine Ranch Water District

By:   
Its: Treasurer  
Date: 3-14-16

Agent: Colliers International Greater Los Angeles, Inc.

By:   
Its: Nick Velasquez  
Date: 3-15-16

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April 7, 2020

Prepared by: T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### COVID-19 RESPONSE – COMMERCIAL INVESTMENT PROPERTIES LEASE PAYMENT DEFERRALS

#### SUMMARY:

IRWD's commercial property manager, RiverRock Real Estate Group, has received requests from tenants at the Waterworks Business Park and 230 Commerce office properties for lease payment deferrals due to the COVID-19 pandemic impacts on their businesses. Staff recommends the Board authorize staff to implement a lease deferral program for IRWD's commercial investment properties for a period of up to 90 days, without incurring late fees or interest, and repayment of deferred rent amortized not to exceed 12 months for tenants who request assistance due to impacts from the COVID-19 pandemic.

#### BACKGROUND:

On March 4, 2020, the Governor Newsom proclaimed a State of Emergency in California as a result of the COVID-19 pandemic. On March 19, the Governor followed up with an order that required all individuals living in California to stay at their place of residence except as needed for essential services. As a result of the impacts on businesses related to COVID-19, and the stay-at-home order, staff has received lease payment deferral requests from three tenants at the Waterworks Business Park and one tenant at the 230 Commerce office building to date.

Some tenants have contacted their respective insurance providers related to potential relief through their business interruption insurance. The general response from insurance companies has been that the coverage does not cover loss of income due to market conditions, a slowdown of economic activity, or suspensions and shutdowns implemented to limit the spread of a virus or bacteria, which would include COVID-19.

Staff recommends the Board authorize staff to implement a lease payment deferral program for IRWD's commercial investment properties, which also includes the Sand Canyon medical office property. Staff also recommends the deferral program allow tenants to defer lease payments up to 90 days, with a repayment plan that amortizes the deferred rent over the following 12-month period without incurring late fees or interest, for tenants impacted by COVID-19 who request rent deferral assistance. The deferral amount related to current tenant requests would result in approximately \$96,000 in deferred payments over the 90-day period; this amount could increase if additional requests are received. Based on discussions with industry professionals, similar rent deferral programs are being developed and implemented by other office property owners.

IRWD's special counsel (Jackson-Tidus) is drafting a proposed lease amendment based on the above parameters that, subject to Board approval, would be executed by tenants and IRWD. Staff will provide the draft amendment at the meeting and will provide additional information related to the current, and any additional, tenant requests for lease payment deferrals.

FISCAL IMPACTS:

The proposed deferral program would allow tenants to defer lease payments up to 90 days, with a repayment plan that amortizes the deferred rent, not to exceed 12-months. The deferral amount related to the current tenant requests would result in approximately \$96,000 in deferred payments between April 2020 and June 2020.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Board authorize staff to implement a lease deferral program for IRWD's commercial investment properties for a period of up to 90 days, without incurring late fees or interest, and repayment of deferred rent amortized not to exceed 12 months for tenants who request assistance due to impacts from the COVID-19 pandemic.

LIST OF EXHIBITS:

Exhibit "A" - Summary of Current Lease Deferral Requests

**Exhibit "A"**

**IRVINE RANCH WATER DISTRICT  
Summary of Lease Payment Deferral Requests  
3/31/2020**

	S/F	Expiration Date	April	May	June	Total Estimated Rent Deferral	Amortization (Months)	Amortized Monthly Deferred Rent	Average (1) Monthly Payments
<b>230 Commerce</b>									
Suite 100	5,032	11/30/21	\$13,079	\$13,079	\$13,079	\$39,237	12	\$3,270	<b>\$16,545</b>
<b>Waterworks</b>									
Unit 36	7,630	12/31/21	\$9,995	\$9,995	\$9,995	\$29,985	12	\$2,499	<b>\$12,761</b>
Unit 40	3,707	03/03/22		\$5,835	\$5,835	\$11,670	12	\$973	<b>\$6,808</b>
Unit 48	3,363	01/31/25	\$4,876	\$4,876	\$4,876	\$14,629	12	\$1,219	<b>\$6,169</b>
			\$27,950	\$33,785	\$33,785	\$95,521			

(1) Includes Annual Base Rent Increases during payback period

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April 7, 2020

Prepared by: R. Jacobson

Submitted by: C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

SERRANO SUMMIT / LENNAR PROMISSORY NOTE  
REQUEST TO EXTEND MATURITY

SUMMARY:

A secured promissory note between IRWD and Lennar Homes of California related to the Serrano Summit residential property in Lake Forest is scheduled to be paid in full on April 30, 2020. Lennar has expressed an interest in extending the maturity of the secured promissory note for an additional seven-month period. Staff recommends the Board authorize the General Manager to execute an amendment to the current promissory note for a seven-month extension to December 1, 2020, at the current interest rate of 4.00% to be applicable to both the principal and the accrued interest amount as of April 30, 2020 and other terms modified as noted below.

BACKGROUND:

In September 2017, Lennar purchased the Serrano Summit property from IRWD. Terms of the transaction included 60% of the purchase price (\$81.6 million) being financed by a promissory note in favor of IRWD, with principal and interest due at maturity. The note is secured by a Deed of Trust, with the Serrano Summit residential property as security. The initial note terms included an annual interest rate of 4.0% (simple interest) with a scheduled maturity date of September 1, 2019, or upon the issuance of the first building permit at the site – whichever were to occur earlier. In March 2019, the Board approved an extension of the note with a new maturity date of April 30, 2020.

Since acquiring the Serrano Summit site from IRWD, Lennar has added significant value to the property by completing installation of all the primary neighborhood infrastructure (streets, utilities, storm drains, etc.), grading of residential lots and recently opening model homes for two neighborhoods. New homes are currently under construction and for sale.

Based on recent discussions, Lennar is prepared to pay off the principal and interest on the scheduled maturity date but did express an interest in extending the maturity date by seven months to December 1, 2020. Staff recommends the Board approve an extension of the note maturity date at the current interest rate of 4.00% that will apply to both the principal and accrued interest as of April 30, 2020, calculated to be \$90.5 million. Based on the April 30, 2020 note balance amount, interest earned for the seven-month period ending December 1, 2020 will be approximately \$2.1 million.

Proposed Note Modification – Partial Release of Lots:

During the proposed seven-month extension, it is anticipated that Lennar will begin completing and selling the first homes in the project. Based on discussions with the District's legal counsel (Jackson-Tidus), the amended note terms would include the partial release of certain lots secured

by the Deed of Trust in order to provide clear title to homeowners. To compensate for the reduction in lots, the amended note terms would provide for a pro rata (total lots released divided by the total approved lots) principal paydown to IRWD of the note balance, plus a 10% premium, prior to any partial releases approved by the District.

No other terms of the note will be modified by the recommended amendment.

Based on a review of Lennar's current average borrowing rate for similar land-secured financing arrangements, and current reinvestment opportunities available to the District, staff believes that the proposed terms are fair to both IRWD and Lennar.

FISCAL IMPACTS:

IRWD's promissory note currently earns an interest rate of 4.00% per year, or annualized interest of \$3.62 million. The proposed note extension would provide interest income of approximately \$2.1 million for the seven-month period ending December 1, 2020.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Board authorize the General Manager to execute an amendment to the current promissory note between IRWD and Lennar Homes of California for a seven-month extension to December 1, 2020, at the current interest rate of 4.00%, to be applicable to both the principal and accrued interest amount as of April 30, 2020, and including partial release provisions as stated.

LIST OF EXHIBITS:

None.