

**MEMORANDUM OF UNDERSTANDING FOR THE CITIES OF
FOUNTAIN VALLEY, GARDEN GROVE, AND SANTA ANA
LITTLE SAIGON BUSINESS IMPROVEMENT DISTRICT**

This **MEMORANDUM OF UNDERSTANDING** (“Agreement”) is dated as of October 23, 2025 (“Effective Date”), and entered into by and among the Cities of Fountain Valley, a municipal corporation (“FV”), Garden Grove, a municipal corporation (“GG”), and Santa Ana, a charter city and municipal corporation (“SNA”), each of which is organized and existing under California law (cumulatively the “Parties,” and at times individually a “Party”), with reference to and in consideration of the following:

WHEREAS, the Parties recognize the value and importance of regional collaboration to support economic revitalization, job creation, and the cultural preservation of Vietnamese-American communities within their jurisdiction; and

WHEREAS, the Parties propose to establish a multi-jurisdictional effort to enhance cultural tourism, support the formation of a business improvement district under Streets and Highways Code §§ 36500 *et seq* in the Parties’ respective Vietnamese business communities, and stimulate job growth and small business development across the Parties’ jurisdiction; and

WHEREAS, the Parties intend to proceed to identify and create the business improvement district in three phases-Concept, Accelerator, and Las Mile-involving comprehensive activities such as market assessments, stakeholder engagement, business improvement area development and environmental compliance work necessary for long-term implementation and sustainability; and

WHEREAS, the Parties have received an Orange County Jobs First Catalyst Grant, which will assist in jump starting the Little Saigon Business Improvement District program (“Program”); and

WHEREAS, GG will act as the lead agency and fiscal agent responsible for overseeing all administrative functions related to grant management, procurement, budget coordination, and consultant oversight; and

WHEREAS, the Parties desire to formalize their roles, contributions, and cooperative efforts under this Agreement to implement the Program in a coordinated, equitable, and efficient manner;

WHEREAS, each Party has caused this Agreement to be duly approved by its respective governing body, and by so doing, has found and determined that this Agreement furthers the health, safety, and general welfare of their respective residents and businesses.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. PURPOSE

This Agreement establishes a multi-jurisdictional memorandum of understanding for planning, developing, and eventual implementation of the Program. The purpose of this Agreement is to foster interjurisdictional alignment, streamline project activities, and ensure that the goals of economic equity, cultural preservation, workforce development, and sustainable infrastructure are met across each Party's designated Little Saigon Business Improvement District area within their jurisdictional boundaries. Each Party affirms its support for the Program's goal of transforming designated areas into cultural destinations reflective of Vietnamese-American identity and heritage, and recognizes the opportunity to revitalize underinvested neighborhoods by creating new pathways for entrepreneurship, housing, and workforce mobility.

2. TERM

2.1. General Term. This Agreement shall be effective as of the date on which the last of the Parties has executed the same, which shall be inserted as the Effective Date in the first paragraph above, and shall remain in full force and effect through June 30, 2030, at which point this Agreement shall automatically renew for one additional fiscal year, July 1st through June 30th of the subsequent year (each a "Renewal Term," and cumulatively the "Term").

2.2. Termination by a Party.

a) Notice and Effective Date. Any Party may terminate its participation in this Agreement by providing one fiscal year's written notice to all other Parties on or before the last day of any fiscal year (June 30). As a way of example, a notice of termination issued on June 30, 2025, would be effective July 1, 2026, while a notice of termination issued on July 1, 2025, would be effective July 1, 2027.

b) Effect of Termination. Upon the effective date of termination by a Party, the remaining Parties may keep and reallocate to the remaining Program areas any funding paid by the terminating Party, except for business district assessments collected from businesses within the terminating Party's jurisdiction, which must be used for the benefit of said businesses, or refunded to them upon disestablishment of the business district in the terminating Party's jurisdiction per Streets and Highways Code § 36551.

c) Continuing Enforceability. Following the effective date of termination, the terminating Party shall have no further obligations or rights with respect to this Agreement, except as otherwise expressly provided herein.

3. PROGRAM ACTIVITIES

3.1. Lead Agency. GG will serve as lead agency to manage Program administration and serve as the primary point of contact with funding agencies, oversee budget compliance, reporting, and manage consultant contracts.

3.2. Party Project Managers. Each Party will assign a project manager to coordinate implementation of the Program within the Party's jurisdiction, provide Party-specific input on planning and zoning issues, and ensure community engagement within their jurisdiction.

3.3. Program Committee. The Parties will form a Program Committee to govern shared activities, with decisions to be made by consensus or majority consent among the representatives of the Parties. The Program Committee may further serve as the advisory board for the business improvement district.

3.4. Program Phases. The Program will be implemented in the following phases.

- a) Concept Phase. The Concept Phase includes activities such as market analysis and community outreach.
- b) Accelerator Phase. The Accelerator Phase includes stakeholder engagement and in-depth economic feasibility study to evaluate development potential.
- c) Last Mile Phase. The Last Mile Phase involves finalizing zoning and land use strategies, establishing design guidelines, and completing a Program Environmental Impact Report (EIR), if required.

4. FINANCIAL PROVISIONS

4.1. Funding. Funding for the Program is comprised of a total pre-development cost of \$1,376,500, with the Parties jointly procuring \$1,050,000 in grant funding. The remainder will be covered through in-kind staffing and contributions from Parties. Each Party agrees to allocate necessary resources, personnel, and support to fulfill their respective roles in timely manner. Supplemental funding sources may include economic development funds, California GO-Biz grants, Community Development Financial Institution (CDFI), and private sector sponsorships. A long-term revenue strategy will be established through the formation of the business improvement district to ensure sustainability. Business improvement district assessments will be allocated to the Program Costs to benefit the businesses in each Party's jurisdiction directly paying the assessments in accordance with law.

4.2. Program Treasurer. GG will assign a qualified GG employee to serve as the Program Treasurer.

a) **Designation.** The Program Treasurer shall be memorialized in writing. The Program Committee may replace the Program Treasurer at any time, and an incumbent Program Treasurer may resign at any time with at least 180 days' notice to the Program Committee.

b) **Costs.** The Party Employing the Program Treasurer shall be entitled to recover the costs associated with serving in such capacity, subject to approval of the Program Committee. In the initial fiscal year of the Program, the estimated cost is \$20,000.

4.3. Program Accounts. The Program Treasurer shall establish and maintain Program Accounts separate from their Party's accounts, or such other or different accounts as may be

directed by the Program Committee from time to time, with a banking institution approved by the Program Committee, into which the Program Treasurer shall deposit all Program Funds. The Program Funds deposited into each Program Account will be used for the specific purposes of such account. The Parties have pre-approved US Bank as the banking institution for the Program Treasurer to establish initial Program Accounts.

4.4. No Comingling of Funds. Program Funds provided by the Parties for specific purposes under this Agreement shall be deposited into the designated Program Account, and shall not be comingled with funds provided for any other purpose, nor used for any purpose other than the specific purpose so designated, absent the approval of the Program Committee.

4.5. Permissible Use of Funds. Each Party represents and warrants to the other Parties that the funding source for their Party shares paid under this Agreement may be used for the purposes described herein, and their expenditure was duly authorized by the governing board of the Party. Any restriction or limitation on the use of funds contributed by a Party under this Agreement shall be so designated and disclosed by the Party making the payment and, should such restrictions or limitations frustrate or hinder the purpose or administration of this Agreement, the Parties may require the Party share be paid from an alternative funding source; provided that the Parties shall work together cooperatively and in good faith to attribute restricted funds provided by the Parties towards authorized purposes that further the Program before requesting an alternative funding source.

4.6. Financial Contributions by the Parties.

- a) **Funding Sources and Party Shares.** As set forth in Section 4.1, Program Costs are anticipated to be paid for from a combination of funding sources: (1) Grants, and (2) in-kind contributions, (3) business improvement district assessments, (4) and Party Shares to be determined based on Program Costs associated with Program activities within each Party's jurisdiction (the Party's "Cost Allocation"). Should any of the alternative funding sources fail, in whole or in part, then the unfunded portion of Program Costs shall be paid by the Parties in accordance with their Cost Allocation. No Party shall be required to make a cash contribution unless its governing body expressly approves the appropriation.
- b) **Annual Meeting.** No later than ninety (90) days before the commencement of each fiscal year, the Parties shall review the anticipated Program Costs to be incurred in coming fiscal year, and shall, cooperatively and in good faith: negotiate and reach a mutual agreement as to any adjustments or revisions to the Program Costs necessary to finance and implement the Program; ensure that each Party Share fairly reflects the benefits and obligations to such Party under this Agreement; and to adopt and approve a new Program budget for the immediately ensuing fiscal year. The report may be used to fulfill the report required under Streets and Highways Code § 36533.
- c) **Notice of Party Shares.** Not later than sixty (60) days prior to the commencement of each fiscal year, the Parties shall finalize the Party Shares for

the ensuing fiscal year and notice of each Party's Share shall be provided by the Program Treasurer not later than thirty (30) days immediately preceding commencement of the applicable fiscal year.

- d) **Timely Payment.** Each Party shall pay the Party Share in consideration for its continuing right to continue participation in the Program. Each Party shall remit payment of its Party Share on or before the beginning of each fiscal year and set forth in the notice by the Program Treasurer. Late payments shall accrue interest at the maximum interest rate permitted by law applicable to municipal corporations.
- e) **Funding Shortages.** Should the Program experience a shortfall in funding during any fiscal year, the Program Treasurer, with the approval of the Program Committee, shall provide written notice of the shortfall to all Parties. Subject to Section 4.6(a), Parties shall remit payment of the required amounts within (30) days of the Party's governing body approval of the appropriation.
- f) **Reconciliation.** If the Program Committee determines that past payments made by any Party were either in excess or less than the amount fairly attributable to that Party, that Party's Share shall be adjusted in future fiscal years.
- g) **Public Benefit and Purpose.** Each Party acknowledges that establishment and implementation of the Program is a substantial benefit to each such Party, and the residents, business, and communities residing within their respective jurisdictional boundaries. All Parties expressly declare that this Agreement, and all expenditures of public funds hereunder for the purposes described herein, furthers legitimate public purposes, including, but not limited to the following:
 - 1. Enhancing cultural tourism in Program areas;
 - 2. Stimulating economic growth in Program areas;
 - 3. Promoting workforce development and job creation;
 - 4. Advancing sustainable urban development in Program areas;
 - 5. Acquiring, constructing, installing, or maintaining "improvements" described in Streets and Highways Code § 36510;
 - 6. Implementing "activities" described in Streets and Highways Code § 36513.
- h) **Results of Nonpayment by Party.** All Parties acknowledge that the failure of any Party to pay any amount hereunder will result in an increase in the operational costs of the Program. To that end, in the event any Party fails to pay, for any reason, any amount required to be paid by that Party under this Agreement within fifteen (15) days of when such payment is due, Program activities in the Party's jurisdiction may be limited or reduced commensurate with the amount of such

nonpayment.

- i) **No Reimbursement.** Except as otherwise expressly provided herein, it is the intention of all Parties that no funds provided by any Party under this Agreement shall be reimbursed. The Parties acknowledge that the payments made or required under this Agreement represents a fair return and consideration in exchange for participation in the Program in the fiscal year to which the payment or payment(s) relate(s).
- j) **Budgeting Party Contributions.** For each fiscal year, each Party shall make every effort to adopt all necessary budgets and make all necessary appropriations for all payments due hereunder. The covenant contained in this Section shall be deemed to be, and shall be construed to be, contingent upon the continuing offer by other Parties to participate in the Program and be a party to this Agreement.
- k) **Grant Funding.** The Parties are encouraged to pursue local, state, federal, and other grant opportunities and funding sources in furtherance of the Program or towards a Party's financial contributions under this Agreement. To the extent possible, the Parties agree to work together cooperatively and in good faith in pursuit of funding opportunities for the Program as a whole.

4.7 Program Property. The Program Treasurer shall track and keep an accurate list of all Program Property valued at more than Five Thousand Dollars (\$5,000) that is acquired with funds contributed by the Parties, including a record of which Party is in custody of such Program Property. Regardless of whether a Party holds legal title to any such Program Property, it shall be managed and utilized by the Party in custody and control of the same exclusively for purposes consistent with the Program and this Agreement.

4.8 Disposition of Program Property. In the event any Party is in possession of any item of Program Property that is not needed or currently being utilized for purposes consistent with the Program and this Agreement, the Party in possession shall, within a reasonable time of discovering the same: (1) provide written notice to the Parties; and (2) direct the transfer the Program Property to another Party for use in the Program, as approved by Party Representatives. In the event the transfer of Program Property is unnecessary or infeasible, the Program Property shall be sold at fair-market value within a reasonable period of time, and the proceeds immediately transferred to the Program Treasurer for deposit into Program Accounts, or for reimbursement or reduction of Party Shares, as may be directed by the Program Committee. To the extent state, federal, or grant restrictions direct the disposition or sale of Program Property acquired with any such funding source, the same shall govern and prevail over the terms of this Section.

4.9. Annual Audit. The Program Treasurer shall cause an independent financial audit of the Program Accounts to be completed for each fiscal year (June – July), and the report shall be presented to the Parties (“Financial Audit”). The Financial Audit shall comply with Generally Accepted Government Audit Standards, and shall be distributed to all Parties upon completion. The Program Treasurer shall be the “contracting party” for purposes of any third-

party contract with an independent auditor.

5. DISPUTES, DEFAULTS, AND REMEDIES

5.1. General Disputes. Should the Parties be unable to reach a mutual agreement as to any matter necessary to effectively administer and operate the Program, as an alternative to terminating this Agreement or pursuing an alternative remedy, the Parties may mutually agree to refer the dispute to a neutral arbitrator for resolution, in which case the arbitrator's determination shall be binding unless and until this Agreement is otherwise amended by the Parties.

5.2. Defaults.

a) Notice and Time to Cure. The failure by any Party to perform any of its obligations set forth in this Agreement shall constitute a default. Except as required to protect against further damages, the non-defaulting Parties may not institute legal proceedings against the Party in default until the non-defaulting Parties have provided the defaulting Party notice of the default and the cure period has expired: The cure period for any default shall be thirty (30) days after the defaulting Party's receipt of written notice from the non-defaulting Parties that such obligation was not performed. In the case of a default which cannot be cured within the cure periods set forth in this section, the defaulting Party shall commence efforts to cure within such time periods, and shall diligently thereafter pursue to cure the default to completion within a reasonable period of time.

b) Cooperative Resolution. During the cure period set forth in paragraph (a), and prior to pursuing any remedies described in this Section, the Parties will attempt, in good faith, to find a mutually agreeable resolution through communicating with each other and attempting to resolve any substantive problems arising under this Agreement, including challenges arising from funding difficulties, and/or any difficulty with effectively implementing the responsibilities detailed in this Agreement. Communication and attempts to resolve such problems and difficulties prior to pursuing remedies under this Agreement include, but are not limited to, meeting together, amending this Agreement, and/or seeking the assistance of a jointly agreed upon mediator.

c) Remedies. Upon the occurrence of any default, and following written notice and expiration of the time to cure, the non-defaulting Parties may, at their option: declare this Agreement null and void with respect to the defaulting Party, in which case the defaulting party shall not be entitled to the benefits and privileges of this Agreement or the Program; or pursue damages or specific performance or other legal and equitable remedies the injured Parties may have against the non-defaulting Party in accordance with applicable law. Nothing herein shall be construed as the non-defaulting Parties' exclusive remedy for the remediation of default by a Party, and the non-defaulting Parties reserve the right to pursue any and all available rights and remedies at law or in equity.

d) Non-refund of Contributions. The payments made by all Parties pursuant to this Agreement shall be used for the Program in the manner described herein, and all Parties acknowledge and agree that the development, administration, and implementation of the Program provides an immediate benefit to each Party and that no payments made pursuant to this Agreement shall be refunded for any reason other than as specifically authorized herein.

6. INDEMNITY

Each Party shall hold harmless, indemnify, and defend the other Parties, and each of them individually and jointly, and their respective officers, employees, and agents, from and against any and all claims, suits, or actions of every kind brought for or on account of injuries to or death of any person or damage to any property of any kind whatsoever and to whomsoever belonging which arise out of a Party's failure to fulfill any payment obligations of such Party arising pursuant to the performance or nonperformance of the Party's covenants and obligations under this Agreement, and which result from the actively negligent or wrongful acts of the Party, or its officers, employees, or agents. This provision requiring a Party to hold harmless, indemnify, and defend the other Parties shall not apply to claims, losses, liabilities, or damages arising from actions or omissions, negligent or otherwise, of any independent contractor providing services pursuant to a contract with any other Party. In the event of concurrent negligence of the Parties or any other Party, its respective officers, or employees, and a Party, its officers and employees, then the liability for any and all claims for injuries or damages to persons and/or property or any other loss or cost which arises out of the terms, conditions, covenants or responsibilities of this Agreement shall be apportioned in any dispute or litigation according to the California theory of comparative negligence.

7. MISCELLANEOUS

7.1. Approval by Program Committee. Any term or provision of this Agreement that calls for the direction, approval, or consent of the Program Committee, shall mean and refer to the direction, approval, or consent of the majority of the members thereof (regardless of quorum). Except as specifically provided herein, all actions reasonably necessary to effectuate the purpose of this Agreement and the Program may be performed by the Program Committee except as may otherwise be prohibited by state or federal law.

7.2. Notice. Any notices provided to any Party in connection with this Agreement shall directed to the Party representative of each of the Parties set forth in Exhibit "A."

7.3. Parties as Independent Contractors. Each Party is, and at all times shall be deemed to be, an independent contractor of the other Parties. Nothing herein is intended or shall be construed as creating the relationship of employer and employee, or principal and agent, between any Party, or any Party's agents or employees. Each Party shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of the Program pursuant to this Agreement. Each Party, and its agents and employees, shall not be considered to be employees of any other Party.

7.4. Governing Law and Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction, located in Orange County, California, and the Parties agree to and hereby submit to the jurisdiction of such court, notwithstanding Code

of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

7.5. Amendments / Entire Agreement. Amendments to this Agreement must be in writing and approved by the governing body of each Party. This Agreement, and the various Exhibits referenced herein which are incorporated fully by this reference, is the entire agreement among the Parties with respect to the subject matter hereof, and it supersedes any prior written or oral agreements with respect to the subject matter.

7.6. Severability. If any section, subsection, paragraph, term, or provision of this Agreement, or the application thereof, is held by a court of competent jurisdiction to be invalid, void or unenforceable, such section, subsection, paragraph, term, or provision, to the extent the same is valid and enforceable, and all other remaining provisions hereof, shall remain in full force and effect, to the fullest extent possible, and shall in no way be affected, impaired or invalidated thereby to the extent such are not rendered impractical to perform taking into consideration the purposes of this Agreement.

7.7. Interpretation. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of its own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that it has not been influenced to any extent whatsoever in executing this Agreement by the other Parties, or by any person representing the other Parties, or both. Accordingly, any rule or law (including Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Agreement.

7.8. Non-Waiver of Rights and Remedies. No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

7.9. Authority. The Parties represent and warrant that this Agreement has been duly authorized by their respective governing boards, and executed by a duly authorized representative thereof, and constitutes the legally binding obligation of their respective Party, enforceable in accordance with its terms.

7.10. Assignment. Except as otherwise expressly provided for herein, no Party shall assign any of its obligations or rights hereunder without the consent of all other Parties, and any such assignment without consent shall be null and void.

7.11. Execution in Counterparts. This Agreement may be executed in counterparts, each of which, when the Parties have signed this Agreement, shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties to this Agreement have caused the same to be executed by each of their duly authorized officers as follows:

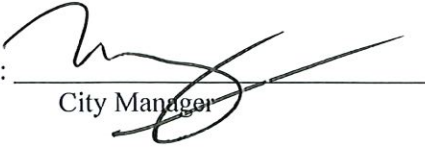

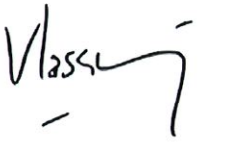
<p>CITY OF FOUNTAIN VALLEY</p> <p>By:  City Manager</p> <p>Attest:</p> <p> City Clerk</p> <p>Approved as to form:</p> <p> City Attorney</p>	<p>CITY OF GARDEN GROVE</p> <p>By: _____ City Manager</p> <p>Attest:</p> <p>_____ City Clerk</p> <p>Approved as to form:</p> <p>_____ City Attorney</p>
<p>CITY OF SANTA ANA</p> <p>By: _____ City Manager</p> <p>Attest:</p> <p>_____ City Clerk</p> <p>Approved as to form:</p> <p>_____ City Attorney</p>	

Exhibit "A"
Notices and Designation of Party Representative(s)

Party	Party Representative(s)
City of Fountain Valley	<p>Maggie Le, City Manager City of Fountain Valley 10200 Slater Avenue Fountain Valley, CA 92708 EMAIL: Maggie.Le@fountainvalley.org</p> <p>With Copy to:</p> <p>Colin Burns, City Attorney Harper & Burns LLC 453 S. Glassell Street Orange, CA 92866 EMAIL: crburns@harperburns.com</p>
City of Garden Grove	<p>Lisa L. Kim, City Manager City of Garden Grove 11222 Acacia Parkway Garden Grove, CA 92840 EMAIL: lisak@ggcity.org</p> <p>With Copy to:</p> <p>Omar Sandoval, City Attorney Woodruff & Smart 555 Anton Boulevard, Suite 1200 Costa Mesa, CA 92626 EMAIL: osandoval@woodruffl.aw</p>
City of Santa Ana	<p>Alvaro Nuñez, City Manager City of Santa Ana 20 Civic Center Plaza Santa Ana, CA 92701 EMAIL:</p> <p>With Copy to:</p>