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**CITY OF IRVINE CITY COUNCIL**  
**GREAT PARK AUDIT**

IN RE: )  
ORANGE COUNTY GREAT PARK AUDIT ) **DECLARATION OF**  
 ) **MICHAEL ELLZEY**  
 )  
 )  
 )  
 )

**DECLARATION OF MICHAEL ELLZEY**

I, MICHAEL ELLZEY, declare as follows:

1. I was the CEO of the Great Park Corporation (the “Corporation”) from August 2008 until January 2015. I have personal knowledge of the facts contained herein. I am making this declaration for the official proceedings concerning the Great Park Audit (the “Audit”).

2. I have reviewed within the past week, among other materials, the relevant portions of the deposition of Sukhee Kang and the Exhibits to Mr. Kang’s deposition in the Audit. Exhibits 1 to 7 of Mr. Kang’s deposition concern professional services provided by Gafcon, Inc. to Stu Mollrich for at least one home in Laguna Beach, relevant contract provisions of the Schematic Design Agreement and relevant portions of Change Order 35.

3. Until presented them by Special Counsel Anthony Taylor, I had been unaware of the above-referenced exhibits concerning professional services provided by Gafcon, Inc. to Stu Mollrich for at least one home in Laguna Beach between 2008 to 2010. This information was not previously disclosed to me by any member of the Design Studio, Mr. Mollrich or any other person

1 or entity prior to the Audit. The City relied on the Great Park Design Studio to oversee work done  
2 by Forde & Mollrich, who was a subconsultant of the Design Studio under the Schematic Design  
3 Agreement. The City also relied on the Great Park Design Studio and Forde & Mollrich to fully  
4 disclose all potential conflicts of interest to the City prior to the approval by the City Council of  
5 any contracts or change orders involving them or their principals.

6 4. The Schematic Design Agreement contained a number of provisions prohibiting  
7 conflicts of interest and requiring full disclosure of any potential conflicts of interest. These  
8 provisions are found at Exhibit 1 of Mr. Kang's deposition transcript in the Audit (the "Conflict of  
9 Interest Provisions").

10 5. Full compliance with these Conflict of Interest Provisions is of critical importance to  
11 the City to protect the integrity of the contracting process. Compliance with these Conflict of  
12 Interest Provisions was required.

13 6. Had any council member, staff member, contractor or individual come to me with  
14 the information set forth in Exhibits 1 to 7 of Mr. Kang's deposition in the Audit concerning  
15 professional services provided by Gafcon, Inc. to Stu Mollrich for at least one home in Laguna  
16 Beach, I would have contacted the City Attorney for counsel. I would have asked the City  
17 Attorney to review the matter expeditiously and advise me as soon as practicable. I would have  
18 also notified the City Manager. Staff would have been instructed to process no further payments to  
19 the Design Studio/Forde & Mollrich unless and until the matter was resolved.

20 7. Additionally, based on information I previously reviewed, the total amount paid by  
21 the City exceeds \$4 Million for the change orders and the amount of the Close Out Agreement that  
22 was approved by the City Council during the relevant time period in 2009 to 2010.

23  
24 I declare under penalty of perjury under the laws of the State of California that the  
25 foregoing is true and correct.

26 Executed on this 10th day of March, 2015, at Yorba Linda, California.

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28   
MICHAEL ELLZEY