

Improvement Agreement

This Improvement Agreement is entered into as of April ____, 2010, by and between the City of Lancaster, a California municipal corporation (the "City") and Global Investment and Development, LLC ("Global"):

Recitals

A. Global is the owner of certain real property consisting of the three approved Tentative Tract Maps, more specifically, TTM 60294 (99 Single Family Lots), TTM 61038 (41 Single Family Lots) and TTM 61118 (33 Single Family Lots) or commonly known as Assessor's Parcel Numbers 3203-008-020, 3203-008-022, 3203-008-047, and 3203-008-048 located on Avenue J and between 60th St. West to 65th St. West in the City of Lancaster, Los Angeles County, CA (the "Property").

B. The City and Matthews Homes dba MC Builders have previously entered into a Funding, Credit and Reimbursement Agreement ("Matthews FCRA") dated as of August 8, 2006, pursuant to which 174 lots located within the Property have accrued drainage fee credits based on a work which has been partially completed by Matthews previously and will be applied by Global or its successor/s to the Standard Drainage Fees.

C. The City has determined that as the owner of the Property, Global or its successor/s is not obligated to pay any sum which would be applicable to the reimbursement of Matthews under the Matthews FCRA and all Standard Drainage Fees for the lots on the Property are deemed paid in full, by virtue of its dedication to the City of all drainage facilities which have previously been constructed on the Property and connected to the Master Drainage System.

D. Additional portions of the drainage facilities from 62nd St. West to the Mira Loma Detention Facility ("Drainage Facility") are required in connection with the development of the Property.

E. Global will design and improve a public park of approximately 10 acres to be located in the area included in TTM 61038 or TTM 61118 (the "Park").

NOW THEREFORE, the City and Global do hereby agree as follows:

Section 1. Global agrees to complete the Drainage Facility consistent with the City's Drainage Master Plan and in connection therewith agrees to purchase of a section of a parcel of land commonly known as Assessor's Parcel Number 3203-008-035 ("Drainage Easement Parcel") needed to construct the Drainage Facility extension from 62nd St West up to 60th St West along Avenue J. If Global's acquisition is not successful, Global shall coordinate with the City to proceed with the condemnation process to acquire the Drainage Easement Parcel. Global shall be responsible for the payment of the cost of the Drainage Easement Parcel. City shall be responsible for all costs and legal fees related to any eminent domain proceeding.

Section 2. As a temporary partial solution to the current drainage problem within the Property, Global agrees to build an overflow ditch along Avenue J, or, if the necessary right-of-way can not be acquired in a timely manner, upon Global's Property (the "Temporary Facilities"). The Temporary Facilities shall be connected to the existing inlet on 60th St. West near Newgrove St that flows naturally to the Mira Loma detention basin.

Section 3. Global shall design the Drainage Facility subject to review and approval by the City. The approved Drainage Facility design shall be revisited, reviewed and modified by Global and City, if necessary.

Section 4. The timing and construction of the Drainage Facility shall be solely based under Global's own projected timeline and schedule; provided, however, construction shall commence not later than the three years from the signing of this Agreement.

Section 5. Prior to the commencement of the Drainage Facility construction, Global shall solicit multiple bids and/or proposals from third-party vendors or contractors for the construction of Drainage Facility. All the bids and/or proposals shall be submitted by Global to City and the cost of the construction of the Drainage Facility shall be agreed upon and approved by both parties. Global shall file a performance and completion bond in a form acceptable to the City prior to the commencement of construction. The total of the cost of acquisition of the Drainage Easement plus the cost of construction of the Drainage Facility as further defined below shall be referred to as the Drainage Facility Reimbursement Amount.

Section 6. The Drainage Facility Reimbursement Amount shall include the cost of Drainage Facility construction including, but not limited to, survey, engineering, bond premium and soil testing costs, the cost of the acquisition of the Drainage Easement Parcel as indicated in Section 2, and Global's supervision fee equal to 15% (Fifteen Percent) of the total cost of the Drainage Facility construction. Moreover, the agreed amount shall be approved by both parties and will be appended hereto.

Section 7. Upon commencement of the Drainage Facility construction, the City agrees to issue to Global a Fee Credit Certificate, in a form satisfactory to the City (the "Fee Credit Certificate") with a face amount equal to the Drainage Facility Reimbursement Amount. The amount of fee credits shall be allocated among impact fee categories in the following percentages:

Impact Fee Category	Percentage
Drainage Fees	40%
Traffic Fees	35%
Park Fees	25%
TOTAL	100%

Section 8. The Fee Credit Certificate may be redeemed or applied by Global or any transferee of Global over a period of three (3) years after the date of issuance of Fee Credit Certificate by the City in equal (1/3) increments per year, but subject to the further limitations set forth in Section 10 hereof.

Section 9. The Fee Credits shall be fully applicable throughout and within the boundary limits of the City of Lancaster and transferable to any third party or parties. Fee credits not redeemed in any of the first three (3) years may be carried over to the next succeeding year. Moreover, any Fee Credits not redeemed within the initial three (3) year period shall be automatically extended for another two (2) years.

Section 10. During the first year of the Fee Credits redemption, Global shall redeem the Fee Credits based on the following milestones, but in any event shall not redeem more than one third of the total Fee Credits available:

Milestones	Percentage of Total Credits
Acquisition of Drainage Easement Parcel and completion of box/culvert or storm drain on 62 nd Street West	40%
Completion of Graded Channel from 62 nd Street West to 60 th Street West	10%
Completion of the box/culvert or storm drain on 60 th Street West	30%
Completion of pipeline connection to Mira Loma Detention Facility	20%
TOTAL	100%

Section 11. Global shall design and improve the Park on approximately ten (10) acres of land in the area covered by TTM 61038 or TTM 61118 dedicated to the City. Design plans shall be submitted to the City and approved on or before the date of issuance of the first building permit for any structure on the Property. Construction of the Park improvements shall commence within a reasonable time, not to exceed 60 days, after the issuance of the first building permit for any structure on the Property.

Section 12. Prior to the commencement of the Park construction, Global shall solicit multiple bids and/or proposals from third-party vendors or contractors for the construction of Park. All the bids and/or proposals shall be submitted by Global to City and the cost of the construction of the Park shall be agreed upon and approved by both parties. Global shall file a performance and completion bond in a form acceptable to the City prior to the commencement of construction. The total of the cost of construction of the Park as further defined below shall be referred to as the Park Reimbursement Amount.

Section 13. The Park Reimbursement Amount shall include the cost of Park construction including, but not limited to, survey, engineering, bond premium and soil testing costs, and Global's supervision fee equal to 15% (Fifteen Percent) of the total cost of the Park construction. Moreover, the agreed amount shall be approved by both parties and will be appended hereto.

Section 14. Upon commencement of the Park construction, the City agrees to issue to Global a Park Fee Credit Certificate, in a form satisfactory to the City (the "Park Fee Credit Certificate") with a face amount equal to the Park Reimbursement Amount.

Section 15. The Park Fee Credit Certificate may be redeemed or applied by Global or any transferee of Global over a period of five (5) years after the date of issuance of the Park Fee Credit Certificate by the City.

Section 16. The Fee Credits shall be fully applicable throughout and within the boundary limits of the City of Lancaster and transferable to any third party or parties.

Section 17. The City shall allocate water units for Seventy Four (74) Lots within approved Tentative Tract Map Nos. 61118 and 61038. Global will pay the cost of water units at the required time. Any delay in the availability of a will-serve letter for the balance of the lots in the Property shall automatically extend the term of the Agreement and all of the obligations of Global thereunder until such time as such a will-serve letter is issued.

Section 18. City agrees that there has been a moratorium on the issuance of water permits and that each of the Tentative Tract Maps shall be extended in accordance with Government Code Section 55452.6 to expire not earlier than December 15, 2014.

Section 19. All notices or other communications required or permitted hereunder shall be in writing and shall be delivered or sent, as the case may be, by any of the following methods: (i) personal delivery; (ii) overnight commercial carrier or delivery service; (iii) registered or certified mail (with postage prepaid and return receipt requested); or (iv) facsimile or e-mail. Any such notice or other communication shall be deemed received and effective upon the earlier of (a) if personally delivered, the date of delivery to the address of the party to receive such notice; (b) if delivered by overnight commercial carrier or delivery service, one (1) day following the receipt of such communication by such carrier or service from the sender, as shown on the sender's delivery invoice from such carrier or service, as the case may be; (c) if mailed, forty-eight (48) hours after the date of posting as shown on the sender's registry or certification receipt; or (d) if given by facsimile or e-mail, when sent, provided an electronically generated confirmation of transmission is retained by the sending party. Any notice or other communication sent by facsimile or e-mail must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing. Any reference herein to the date of receipt, delivery or giving, as the case may be, of any notice or other communication shall refer to the date such communication becomes effective under the terms of this Section 19. The addresses for purposes of the giving of notices hereunder are as follows:

To City:	City of Lancaster 44933 North Fern Ave. Lancaster, California 93534 Attention: City Manager Telephone: (661) 723-6133 Facsimile: (661) 723-6141 E-mail: mbozigian@cityoflancasterca.org
To Global:	Global Investment & Development LLC 3470 Wilshire Blvd, Suite 1020 Los Angeles, California 90010 Attention: Aaron Rivani Telephone: (213) 365-0005 Facsimile: (213) 365-0405 E-mail: arivani@globalinvestmentdev.com

Notice of change of address shall be given by written notice in the manner detailed in this Section 13. Rejection or other refusal to accept, or the inability to deliver, because of a changed address of which no notice was given shall be deemed to constitute receipt of the notice or other communication sent.

Section 20. Global may not assign its rights or obligations under this Agreement without City's prior written approval, which may not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Global may assign its interest under this Agreement without City's consent to an entity owned or controlled by Global, including any partnership or limited liability company in which Global or Global's affiliates is the managing general partner, manager or managing member.

Section 21. Each party hereto agrees to perform any further acts, and to execute and deliver (with acknowledgment, verification, and/or affidavit, if required) any further documents and instruments, as may be reasonably necessary or desirable to implement and/or accomplish the provisions of this Agreement and the transactions contemplated herein.

Section 22. Every provision of this Agreement is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid, such illegal or invalid term or provision shall not affect the other terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

Section 23. The terms of this Agreement may not be modified, amended or otherwise changed in any manner, except by an instrument in writing executed by each of the parties hereto.

Section 24. This Agreement is solely for the benefit of the parties hereto and no other person or entity is entitled to rely upon or benefit from this Agreement or any term hereof.

Section 25. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

Section 26. The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

GLOBAL INVESTMENT AND DEVELOPMENT, LLC

Aaron Rivani, Manager

Date

CITY OF LANCASTER

Authorized Signature

Name

Date