



**CITY COUNCIL/SUCCESSOR AGENCY/
FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING
AGENDA**

Tuesday

November 14, 2017

Regular Meeting – **5:00 p.m.**

Council Chambers – Lancaster City Hall

The City Clerk/Agency/Authority Secretary hereby declares the agenda was posted
by 5:00 p.m. on Thursday, November 9, 2017
at the entrance to the Lancaster City Hall Council Chambers.
44933 Fern Avenue, Lancaster, CA 93534

LEGISLATIVE BODY

City Council/Successor Agency/Financing/Power/ California Choice Energy Authority

Mayor/Chair R. Rex Parris

Vice Mayor/Vice Chair Marvin Crist

Council Member/Agency Director/Authority Member Raj Malhi

Council Member/Agency Director/Authority Member Ken Mann

Council Member/Agency Director/Authority Member Angela Underwood-Jacobs

Housing Authority

Deputy Mayor/Chair Kitty Kit Yee Szeto

Vice Chair Marvin Crist

Deputy Mayor/Authority Member Cassandra Harvey

Authority Member Ken Mann

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

AGENDA ITEMS TO BE REMOVED

Sometimes it is necessary to remove items from the agenda. We apologize for any inconvenience this may cause you.

PUBLIC BUSINESS FROM THE FLOOR - AGENDIZED ITEMS

Any person who would like to address the Legislative Bodies on any agendized item is requested to complete a speaker card for the City Clerk/Agency/Authority Secretary and identify the agenda item you would like to discuss. Each person will be given an opportunity to address the Legislative Body at the time such item is discussed. Speaker cards are available at the rear of the Council Chambers and your speaker card must be filled out *prior* to the agenda item being called. We respectfully request that you fill the cards out completely and print as clearly as possible. Following this procedure will allow for a smooth and timely process for the meeting and we appreciate your cooperation. *Individual speakers are limited to three (3) minutes each.*

Consent Calendar items under the Legislative Body may be acted upon with one motion, a second and the vote. If you desire to speak on an item or items on the Consent Calendar, you may fill out one speaker card for the Consent Calendar. You will be given three minutes to address your concerns before the Legislative Body takes action on the Consent Calendar.

CALL TO ORDER

City Council/Successor Agency/Financing/Housing/Power/California Choice Energy Authority

ROLL CALL

City Council Members /Agency Directors /Authority Members: Malhi, Mann, Underwood-Jacobs; Vice Mayor/Vice Chair Crist, Mayor/Chair Parris

ROLL CALL

Housing Authority Members: Harvey, Mann; Vice Chair Crist; Chair Szeto

INVOCATION

Pastor Duane Clark, Grace Chapel

PLEDGE OF ALLEGIANCE

PRESENTATION

1. Recognition of Lancaster Community Contributor, Deputy Mike Kuper – Retired Sheriff Volunteer
Presenter: Mayor Parris

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

COUNCIL ACTIONS

MINUTES

M 1. Approve the City Council/Successor Agency/Financing/ Power/California Choice Energy Authority Regular Meeting Minutes of October 24, 2017.

CONSENT CALENDAR

CC 1. Waive further reading of any proposed ordinances. (This permits reading the title only in lieu of reciting the entire text.)

CC 2. Approve the Check and Wire Registers for October 1, 2017 through October 14, 2017 in the amount of **\$3,966,867.31**. Approve the Check Register as presented.

At each regular City Council Meeting, the City Council is presented with the financial claims (invoices) against the City for purchase of materials, supplies, services, and capital projects for checks and Automated Clearing House (ACH) payments issued the prior two to three weeks. This process provides the City Council the opportunity to review the expenses of the City. The justifying backup information for each expenditure is available in the Finance Department.

CC 3. Adopt **Resolution No. 17-55**, designating an independent hearing officer to hear appeals of the denial, suspension, imposition of conditions or revocation of all business licenses.

On June 24, 2014, the City Council adopted Ordinance No. 998, which, in part, added Section 2.44.010.B to the Lancaster Municipal Code, providing that the City Council may designate an independent hearing officer to hear appeals of any decision, determination or order from which the right of appeal has been granted by the Lancaster Municipal Code or other provision of law. On September 8, 2015, the City Council adopted Resolution No. 15-48, which did so designate a hearing officer to hear appeals of denials and revocations of business licenses. Since the adoption of Resolution No. 15-48, Title 5 has been amended by revising certain chapters and adding new chapters. Staff recommends that City Council reaffirm its intent to designate an independent hearing officer to hear appeals of denials, suspensions, imposition of conditions, and revocations of all business licenses.

CC 4. Approve and accept substitution of the Subdivision Improvement and Lien Agreement submitted by Pelican Landing, LP, in place of the Subdivision Undertaking Agreement and securities submitted by First Pacifica Housing Corp., for Tract Map No. 54007, located on the southwest corner of Avenue H-12 and Challenger Way.

On July 10, 2007, First Pacifica Housing Corp. entered into a Subdivision Undertaking Agreement and posted securities to complete the required improvements for Tract Map No. 54007. The subject property subsequently changed hands, and the new developer, Pelican Landing, LP, has requested that the City allow the substitution of the Subdivision Undertaking Agreement and securities so that the property can be developed. The Agreement satisfies the requirements of an undertaking agreement, and is an authorized form of security in accordance with the Subdivision Map Act and the City's Municipal Code.

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

CC 5. Accept the work constructed by R. C. Becker and Son, Inc., for **Public Works Construction Project No. 16-002, Lancaster Boulevard, 30th to 40th Street East**, and direct the City Clerk to file the Notice of Completion for the project. Retention on this project has been disbursed in accordance with California Public Contract Code.

On July 11, 2017, Council awarded Public Works Construction Project No. 16-002, Lancaster Boulevard, 30th to 40th Street East, to R. C. Becker and Son, Inc. The project included pavement rehabilitation, restriping, repair of existing sidewalk and curb ramp modifications on Lancaster Boulevard between 30th and 40th Street East. Work was performed in compliance with the City's 2014 ADA Transition Plan, which included reconstruction of one (1) curb ramp, installation of truncated domes on three (3) existing curb ramps, and 185 square feet of sidewalk at an approximate cost of \$5,281.03, \$2,623.02, and \$1,907.35. Construction of the project has been completed to the satisfaction of the Development Services Director.

CC 6. Adopt **Ordinance No. 1037**, amending Title 16 (Subdivisions) of the Lancaster Municipal Code by adding Chapter 16.24 Article XI (Covenant of Easement), relating to the creation of easements by covenant.

In certain situations, the subdivision or merging of parcels of land or the vacation of streets can create landlocked parcels or otherwise inhibit the rights of property owners from the full enjoyment of the use of their land and attached rights. In these situations, an easement can protect the rights of future property owners. However, when the properties in question are owned by the same person or entity, an easement cannot be created, because any restrictions placed by the current owner on himself or herself are not binding against any future owner of that property. Therefore, access to the property or other enjoyment of the property could be inhibited by a future owner of one of the separated properties in question. Government Code sections 65870-65875 create an exception to this general rule, and allow creation of easements on properties held by a common owner, when necessary, to serve the limited purposes of parking, ingress, egress, emergency access, light and air access, landscaping, or open space purposes. However, before the City can require such an easement, the Government Code requires the City to pass a local enabling ordinance that allows creation of easements for properties held in common ownership. Although this situation is infrequent in Lancaster, passage of this ordinance will solve a significant City and developer problem of trying to satisfy requirements to ensure that these easements are permanent. This ordinance will help eliminate delay in development projects by simplifying the legal requirements for property owners in this situation, and enable the City and property owners to ensure that necessary easements exist in perpetuity.

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

JOINT PUBLIC HEARING

JPH 1. Disposition and Development Agreement Between the Lancaster Housing Authority and InSite Development, LLC for Property Located at Future 32nd Street West and West Avenue I

Recommendations:

City Council Recommendation:

Adopt **Resolution No. 17-56**, approving the Disposition and Development Agreement by and between the Lancaster Housing Authority and InSite Development, LLC a California Limited Liability Company for property located at future 32nd Street West and West Avenue I.

Lancaster Housing Authority Recommendation:

Adopt **Resolution No. HA 01-17**, approving the Disposition and Development Agreement by and between the Lancaster Housing Authority and InSite Development, LLC a California Limited Liability Company for property located at future 32nd Street West and West Avenue I.

The Lancaster Housing Authority (“Authority”), in partnership with InSite Development LLC (“Developer”), desires to address the objectives of reducing homelessness and providing affordable housing in the City of Lancaster. The proposed Disposition and Development Agreement (“Agreement”) between Authority and Developer provides that Authority shall sell certain real property located at future 32nd Street West and West Avenue I (“Property”) to Developer for one dollar, which Authority believes constitutes the fair reuse value of the Property as restricted by the Agreement, and the City shall waive all building and impact fees for the Project.

PUBLIC HEARING

PH 1. Lancaster Tourism Business Improvement District

Recommendation:

Adopt **Resolution No. 17-57**, declaring results of majority protest and renewing the Lancaster Tourism Business Improvement District (TBID).

Destination Lancaster’s member hotels have unanimously petitioned to renew the district for another five-year term beginning on February 1, 2018. As outlined in the Management District Plan, the district will include all lodging businesses in the City of Lancaster with an AAA rating of two diamonds or higher. The proposed TBID charge would remain at the current rate of 2% of the nightly room rate. As in the current Management District Plan, the Destination Lancaster Board of Directors will have the option to raise the rate to a maximum of 3% in future years. Destination Lancaster will continue to be governed by a Board of Directors that represents a partnership between the City, member hotels, and key local stakeholders. Per the organization bylaws, the nine-member board will include a Lancaster City Council member, an economic development staff member from the City of Lancaster, a member of the Antelope Valley Fair Board of Directors, the General Manager of the Antelope Valley Fair, one representative of the Chamber of Commerce, and four representatives of member hotels.

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

NEW BUSINESS

NB 1. Status on Specific Housing Projects

Recommendation:

Receive status report regarding specific housing projects

NB 2. BLVD Ambassador Update: Improving our Downtown

Recommendation:

Receive update regarding The BLVD Ambassador Program

COUNCIL AGENDA

CA 1. Adopt **Resolution No. 17-58**, in support of a statewide coalition of communities, under the working title of Coalition to End Water Rate Abuse, calling for the introduction and passage of statewide legislation to reform the ratemaking process for investor-owned, for-profit water utilities in California
Presenters: Vice Mayor Crist and Council Member Malhi

COUNCIL REPORTS

CR 1. Report on the Activities of the Board of Directors for District No. 14 of the County Sanitation Districts of Los Angeles County
Presenter: Council Member Underwood-Jacobs

CR 2. Report on the Activities of the Board of Directors for the Antelope Valley Transit Authority
Presenters: Vice Mayor Crist and Council Member Underwood-Jacobs

CR 3. Council Reports

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

CALIFORNIA CHOICE ENERGY AUTHORITY

No action required at this time.

LANCASTER FINANCING AUTHORITY

No action required at this time.

LANCASTER POWER AUTHORITY

No action required at this time.

LANCASTER SUCCESSOR AGENCY

No action required at this time.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

CITY CLERK / AGENCY / AUTHORITY SECRETARY ANNOUNCEMENT

PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

This portion of the agenda allows an individual the opportunity to address the Legislative Bodies on any item ***NOT ON THE AGENDA*** regarding City/Agency/Authority business and speaker cards must be submitted ***prior*** to the beginning of this portion of the Agenda. Please complete a speaker card for the City Clerk/Agency/Authority Secretary and identify the subject you would like to address. We respectfully request that you fill the cards out completely and print as clearly as possible. Following this procedure will allow for a smooth and timely process for the meeting and we appreciate your cooperation. State law prohibits the Legislative Body from taking action on items not on the agenda and your matter may be referred to the City Manager/Executive Director. ***Individual speakers are limited to three (3) minutes each.***

COUNCIL / AGENCY / AUTHORITY COMMENTS

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

CLOSED SESSION

1. Conference with Legal Counsel – Anticipated Litigation: significant exposure to litigation pursuant to Government Code Section 54956.9(d) (2) – two potential cases.
2. Conference with Legal Counsel – Anticipated Litigation: consideration of initiation of litigation pursuant to Government Code Section 54956.9(d) (4) - two potential cases.
3. Conference with Legal Counsel--Existing Litigation - Government Code Section 54956.9(d) (1)
4. Estarella v. City of Lancaster, LASC Case No.BC527749
5. Dunnagan v. City of Lancaster, LASC Case No. BC 615917
6. Simmons v. City of Lancaster, LASC Case No. BC 615471
7. Celebron v. City of Lancaster, LASC Case No. BC 615587
8. Bootleggers 2 v. City of Lancaster, LASC Case No. BS169660
9. Byrd v. City of Lancaster, LASC Case No. MC 026025
10. Antelope Valley Groundwater Cases
Included Actions:
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Los Angeles, Case No. BC325201;
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Kern, Case No. S-1500-CV-254-348
Wm. Bolthouse Farms, Inc. v. City of Lancaster, Diamond Farming Co. v. City of Lancaster,
Diamond Farming Co. v. Palmdale Water District
Superior Court of California County of Riverside, consolidated actions;
Case Nos. RIC 353 840, RIC 344 436, RIC 344 668
Santa Clara Case No. 1-05-CV 049053

ADJOURNMENT

Next Regular Meeting:

Tuesday, December 12, 2017 - 5:00 p.m.

MEETING ASSISTANCE INFORMATION

In compliance with the Americans with Disabilities Act, this meeting will be held at a location accessible to persons with disabilities; if you need special assistance to participate in this meeting, please contact the City Clerk at (661)723-6020. Services such as American Sign Language interpreters, a reader during the meeting, and/or large print copies of the agenda are available. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting/event you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the City Clerk at (661)723-6020.

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, NOVEMBER 14, 2017**

AGENDA ADDENDUM INFORMATION

On occasion items may be added after the agenda has been mailed to subscribers. Copies of the agenda addendum item will be available at the City Clerk Department and are posted with the agenda on the windows of the City Council Chambers. For more information, please call the City Clerk Department at (661) 723-6020.

All documents available for public review are on file with the City Clerk Department.

M 1
11/14/17
MVB

**LANCASTER
CITY COUNCIL/SUCCESSOR AGENCY/
FINANCING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
October 24, 2017**

CALL TO ORDER

Mayor Parris called the meeting of the Lancaster City Council/Successor Agency/Financing/Power/California Choice Energy Authority to order at 5:07 p.m.

ROLL CALL

PRESENT: Council Members/Agency Directors/Authority Members: Malhi, Mann, Underwood-Jacobs, Vice Mayor/Vice Chair Crist, Mayor/Chair Parris

STAFF MEMBERS:

City Manager/Executive Director; City Attorney/Agency/Authority Counsel; City Clerk/Agency/Authority Secretary; Assistant to the City Manager; Parks, Recreation and Arts Director; Development Services Director; Planning Director; Economic Development Director; Finance Director; Housing Director; Public Safety Director

INVOCATION

Los Angeles County Sheriff Deputy

PLEDGE OF ALLEGIANCE

Vice Mayor Crist

PRESENTATIONS

1. Recognition of Lancaster Community Contributor, Mr. Ralph Bozigian – Longtime Community Supporter and Local Businessman
Presenter: Mayor Parris
2. Presentation of Streets of Lancaster Grand Prix winners
Presenter: Mayor Parris and Ronda Perez, Director of Parks, Recreation & Arts

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES

October 24, 2017

CCEA CONSENT CALENDAR

On a motion by Vice Chair Crist and seconded by Authority Member Underwood-Jacobs, the California Choice Energy Authority approved the Consent Calendar, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CCEA CC 1. PROFESSIONAL SERVICES AGREEMENT FOR IMPLEMENTATION SUPPORT SERVICES AND ADMINISTRATIVE SERVICES AGREEMENT WITH CITY OF RANCHO MIRAGE

Approved Professional Services Agreement for Implementation Support Services with the City of Rancho Mirage (“Rancho Mirage”) and authorized Executive Director, or his designee, to sign all documents.

Approved Administrative Services Agreement with Rancho Mirage and authorized Executive Director, or his designee, to sign all documents.

Recognized revenue of \$301,259 into Account No. 491-3100-004 and appropriate a total of \$157,842.50 into Account 491-4370-004P for professional services to be provided to Rancho Mirage in accordance with the above agreements and \$143,416.50 to transfer out to Account No. 491-4999-490 to offset Lancaster Choice Energy operating costs.

Approved amendment to Master Professional Services Agreement with Calpine Energy Solutions, LLC (“Calpine”) to support work performed for Rancho Mirage under the terms of the Professional Services Agreement for Implementation Support Services and Administrative Services Agreement; and authorized the Executive Director, or his designee, to sign all documents.

Approved amendment to Professional Service Agreement with Pacific Energy Advisors to support work performed for Rancho Mirage under the terms of the Professional Services Agreement for Implementing Support Services and Administrative Services Agreement for Rancho Mirage; and authorized the Executive Director, or his designee, to sign all documents.

M 1. MINUTES

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council/Successor Agency/Financing/Power/California Choice Energy Authority approved the City Council/Successor Agency/Financing/Power/California Choice Energy Authority Regular Meeting Minutes of October 10, 2017, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES

October 24, 2017

CITY COUNCIL CONSENT CALENDAR

Mayor Parris stated he needs to recuse himself from Item No. CC 9 due to the proximity of the project to property he owns and left the dais at this time.

On a motion by Council Member Mann and seconded by Council Member Underwood-Jacobs, the City Council approved Item No. CC 9, by the following vote: 4-0-1-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist; NOES: None; ABSTAIN: Parris; ABSENT: None

Mayor Parris returned to the dais at this time.

On a motion by Vice Mayor Crist and seconded by Council Member Mann, the City Council approved the Consent Calendar with the exception of Item No. CC 9, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CC 1. ORDINANCE WAIVER

Waived further reading of any proposed ordinances. (This permits reading the title only

CC 2. CHECK REGISTERS

Approved the Check and Wire Registers for September 17, 2017 through September 30, 2017 in the amount of \$6,027,751.62; approved the Check Register as presented.

CC 3. INVESTMENT REPORT

Accepted and approved the September 2017, Monthly Report of Investments as submitted.

CC 4. PUBLIC WORKS CONSTRUCTION PROJECT NO. 17-001, 2017 CURB AND GUTTER REPAIRS

Accepted the work constructed by Leonida Builders, Inc. for **Public Works Construction Project No. 17-001, 2017 Curb and Gutter Repairs**, and directed the City Clerk to file the Notice of Completion for the project. Retention on this project has been disbursed in accordance with California Public Contract Code.

CC 5. PUBLIC WORKS CONSTRUCTION PROJECT NO. 17-002, 2017 SIDEWALK REPAIRS

Accepted the work constructed by Granite Construction Company for **Public Works Construction Project No. 17-002, 2017 Sidewalk Repairs**, and directed the City Clerk to file the Notice of Completion for the project. Retention on this project has been disbursed in accordance with California Public Contract Code.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES

October 24, 2017

CC 6. TRACT MAP NO. 61040-01

Approved the map and accepted the dedications as offered on the map for Tract Map No. 61040-01; approved and accepted the Subdivision Improvement and Lien Agreement for the securities required as a condition of recordation of the map; made findings that this project will not violate any of the provisions of Sections 66473.5, 66474.1, and 66474.6 of the Subdivision Map Act; and instructed the City Clerk to endorse on the face of the map the certificate which embodies the approval of said map and the dedications shown thereon.

CC 7. TRACT MAP NO. 61041-01

Approved the map and accepted the dedications as offered on the map for Tract Map No. 61041-01; approved and accepted the Subdivision Improvement and Lien Agreement for the securities required as a condition of recordation of the map; made findings that this project will not violate any of the provisions of Sections 66473.5, 66474.1, and 66474.6 of the Subdivision Map Act; and instructed the City Clerk to endorse on the face of the map the certificate which embodies the approval of said map and the dedications shown thereon.

CC 8. ORDINANCE NO. 1036, AMENDING TITLE 16 OF THE LANCASTER MUNICIPAL CODE

Adopted **Ordinance No. 1036**, amending Title 16 of the Lancaster Municipal Code to modify the design requirements for new subdivisions.

CC 9. PUBLIC WORKS CONSTRUCTION PROJECT NO. 17-012

Rejected all bids for Public Works Construction Project No. 17-012, Avenue I at 10th Street West and Avenue K at 30th Street West Intersection Improvements, HSIPL-5419(041). One bid was received and significantly exceeded the project budget.

PH 1. AMENDMENT TO TITLE 16 (SUBDIVISIONS) OF THE LANCASTER MUNICIPAL CODE

Mayor Parris opened the Public Hearing.

It was the consensus of the City Council to waive the Staff Report for this item.

Mayor Parris closed the Public Hearing.

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council introduced **Ordinance No. 1037**, amending Title 16 (Subdivisions) of the Lancaster Municipal Code by adding Chapter 16.24 Article XI (Covenant of Easement), relating to the creation of easements by covenant, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES

October 24, 2017

CB 1. LANCASTER TOURISM BUSINESS IMPROVEMENT DISTRICT

Ron Emard, President of Destination Lancaster and Angela Clayborne provided a report for this item.

Discussion among the City Council and staff included discussion of partnering with AVTA and AVAQMD to provide a vanpool to Edwards Air Force Base and discussion of the occupancy of the hotels.

No action is necessary at this time. It is the City Council's intention to continue the process to renew the Lancaster Tourism Business Improvement District (LTBID) and receive public comment. This matter will be brought before the City Council as a Public Hearing on November 14, 2017.

NB 1. GENERAL MUNICIPAL ELECTION – APRIL 10, 2018

The City Clerk presented the Staff Report on this item.

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council adopted **Resolution No. 17-51**, calling for the holding of a General Municipal Election to be held on Tuesday, April 10, 2018, for the election of certain officers as required by the provisions of the applicable laws of the state of California and the City of Lancaster City Charter, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council adopted **Resolution No. 17-52**, requesting the Board of Supervisors of the County of Los Angeles to render specified services to the city relating to the conduct of a General Municipal Election to be held Tuesday, April 10, 2018, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council adopted **Resolution No. 17-53**, adopting regulations for candidates for elective office, pertaining to filing fees and candidate statements submitted to the voters at an election to be held Tuesday, April 10, 2018, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council adopted **Resolution No. 17-54**, providing for the conduct of a special runoff election for elective offices in the event of a tie vote at any municipal election, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council approved the agreement with Martin & Chapman for consulting services for the April 10, 2018 General Municipal Election, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
October 24, 2017

NB 2. AGREEMENT WITH SOUTHERN CALIFORNIA EDISON

It was the consensus of the City Council to waive the Staff Report for this item.

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council authorized the City Manager, or his designee, to enter into an agreement with Southern California Edison (SCE) for the conversion of all LS-1 HPS streetlights to LED, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CR 1. REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE ANTELOPE VALLEY TRANSIT AUTHORITY

Council Member Underwood-Jacobs stated the Board has looked at the objectives for the next fiscal year and stated the age for the senior subsidy grant program has been conditionally reduced from 65 to 62.

Vice Mayor Crist discussed the all-electric fleet of buses and stated the Antelope Valley Air Quality Management District (AVAQMD) provided a grant to AVTA to renew senior vouchers and for funding more electric buses.

CR 2. COUNCIL REPORTS

Mayor Parris discussed the recent Sanitation District meeting.

LANCASTER HOUSING AUTHORITY

No action required at this time.

LANCASTER FINANCING AUTHORITY

No action required at this time.

LANCASTER POWER AUTHORITY

No action required at this time.

LANCASTER SUCCESSOR AGENCY

No action required at this time.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENT

The City Manager stated information regarding affordable housing concepts for land owned by the Lancaster Housing Authority will be provided to the City Council at a future meeting. The City Manager thanked the public for their patience with the various construction and road projects taking place in the City. The City Manager discussed the progress on the 'Ready Lancaster' campaign, which is a campaign to assist residents in preparing for an emergency and a brief video highlighting the recent dedication of a freeway sign in honor of Sgt. Steve Owen was shown.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
October 24, 2017

Mayor Parris requested a recess at 5:51 p.m.

Vice Mayor Crist reconvened the meeting at 5:55 p.m.

CITY CLERK /AGENCY/AUTHORITY SECRETARY ANNOUNCEMENT

The City Clerk provided the public with the procedure to address the City Council/Successor Agency/Authority regarding non-agendized item.

PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

Addressing the City Council at this time:

Fran Sereseres – discussed ‘Riders on the Move’ which is a group of individuals who receive assistance from Metro regarding the use of transit.

David Paul – stated he finds joy in the City and the various events; stated he is amazed at what the staff does, appreciates the City Council and staff.

Toreano Nuckleburger – discussed an incident involving his daughter.

COUNCIL / AGENCY COMMENTS

Planning Commission Chairman Vose discussed a recent meeting with representatives of the Building Industry Association regarding the potential Community Benefit Agreement.

Council Member Malhi discussed the recent Senior Expo and thanked staff for their hard work at the Expo.

Council Member Underwood-Jacobs discussed her participation at Pepperdine’s Women Leaders in Politics and Policy Symposium and discussed upcoming Town Hall type meetings for LA County’s Women and Girls Governing Council.

Council Member Mann thanked Assistant to the City Manager, Toi Chisom for her outstanding work at the most recent City Council meeting.

Vice Mayor Crist discussed Ralph Bozigian’s contributions to the community.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES

October 24, 2017

RECESS

Vice Mayor Crist recessed the meeting at 6:11 p.m. for the purpose of conducting a Closed Session meeting regarding the following matters:

CLOSED SESSION

1. Conference with Legal Counsel – Anticipated Litigation: significant exposure to litigation pursuant to Government Code Section 54956.9(d) (2) – two potential cases.
2. Conference with Legal Counsel – Anticipated Litigation: consideration of initiation of litigation pursuant to Government Code Section 54956.9(d) (4) - two potential cases.
3. Conference with Legal Counsel--Existing Litigation - Government Code Section 54956.9(d) (1)
4. Estarella v. City of Lancaster, LASC Case No. BC527749
5. Dunnagan v. City of Lancaster, LASC Case No. BC 615917
6. Simmons v. City of Lancaster, LASC Case No. BC 615471
7. Celebron v. City of Lancaster, LASC Case No. BC 615587
8. Bootleggers 2 v. City of Lancaster, LASC Case No. BS169660
9. Byrd v. City of Lancaster, LASC Case No. MC 026025
10. Antelope Valley Groundwater Cases
Included Actions:
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Los Angeles, Case No. BC325201;
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Kern, Case No. S-1500-CV-254-348
Wm. Bolthouse Farms, Inc. v. City of Lancaster, Diamond Farming Co. v. City of Lancaster, Diamond Farming Co. v. Palmdale Water District
Superior Court of California County of Riverside, consolidated actions;
Case Nos. RIC 353 840, RIC 344 436, RIC 344 668
Santa Clara Case No. 1-05-CV 049053

RECONVENE

Vice Mayor Crist reconvened the meeting at 6:19 p.m.

CITY ATTORNEY ANNOUNCEMENT

The City Attorney announced the City Council met in Closed Session and discussed Item No. nine and gave direction to legal counsel; no reportable action.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES

October 24, 2017

ADJOURNMENT

Vice Mayor Crist adjourned the meeting at 6:21 p.m. and stated the next City Council/Successor Agency/Financing/Power/California Choice Energy Authority meeting will be held on Tuesday, November 14, 2017 at 5:00 p.m.

PASSED, APPROVED and ADOPTED this 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
CITY CLERK
AGENCY/AUTHORITY SECRETARY

R. REX PARRIS
MAYOR/CHAIRMAN

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES

October 24, 2017

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF MINUTES
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/POWER/CALIFORNIA CHOICE
ENERGY AUTHORITY

I, _____, _____ of the City of Lancaster,
CA, do hereby certify that this is a true and correct copy of the original City Council/Successor
Agency/Financing/Power/California Choice Energy Authority Minutes, for which the original is
on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, CA on this
_____ day of _____, _____.

(seal)

STAFF REPORT
City of Lancaster

Date: November 14, 2017
To: Mayor Parris and City Council Members
From: Pamela Statsmann, Finance Director
Subject: **Check Registers – October 1, 2017 through October 14, 2017**

CC 2
11/14/17
MVB

Recommendation:

Approve the Check Registers as presented.

Fiscal Impact:

\$3,966,867.31 as detailed in the Check Registers.

Background:

At each regular City Council Meeting, the City Council is presented with check and ACH/wire registers listing the financial claims (invoices) against the City for purchase of materials, supplies, services, and capital projects issued the prior three to four weeks. This process provides the City Council the opportunity to review the expenditures of the City. Claims are paid via checks, Automated Clearing House (ACH) payments, or federal wires. The justifying backup information for each expenditure is available in the Finance Department.

Check Nos.:	7390438 – 7390734	\$ 2,992,458.52
ACH/Wire Check Nos.:	101009909-101009913	<u>\$ 974,408.79</u>
		\$ 3,966,867.31
Voided Check No.:	N/A	
Voided ACH/Wire No.:	N/A	

PS:sp

Attachments:

Check Register
ACH/Wire Register

City of Lancaster Check Register



From Check No.: 101009909 - To Check No.: 101009913

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:16

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
101009909	04867	CITY OF LANCASTER-PARKS	PAC-CHANGE FUND	400.00	101 1030000	400.00
101009910	05987	THE VISITORS BUREAU/LANCASTER	08/17 TBID FEES	44,657.23	101 2501000	44,657.23
101009911	A7515	U S BANK	DEBT SERVICE DUE-10/15/17	865,851.56	486 4200981	410,000.00
				<u>865,851.56</u>	486 4200982	<u>455,851.56</u>
101009912	07101	CALPINE ENERGY SOLUTIONS LLC	INV #CALP2017-12PREPAY	14,000.00	490 4370653	14,000.00
101009913	08026	INLAND EMPIRE ENERGY CENTER	12/17-ENERGY PROCUREMENT	49,500.00	490 4370653	49,500.00
Chk Count	<u>5</u>			Check Report Total		<u>974,408.79</u>

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390438	03672	A T & T	09/07-10/06/17 TELEPHONE SVC	1,308.60	101 4820651	1,308.60
7390439	06926	A V HOSPITAL FOUNDATION	RFND-TOT-04/02-09/13/17-EB	968.59	101 3103100	968.59
7390440	00107	A V PRESS	10/15 ADVERTISING	960.00	331 4755786	960.00
7390441	08235	ALEVY PRODUCTIONS INC	TRANSPRT-HOWIE MANDEL-09/23/17	200.00	402 4650602	200.00
7390442	C4028	AVANT, DEREK	09/17 SPORTS OFFICIAL	120.00	101 4641308	120.00
7390443	08216	BASURTO, TYLER	09/17 SPORTS OFFICIAL	286.00	101 4641308	286.00
7390444	A8701	BRETZ, WILLIAM	09/17 SPORTS OFFICIAL	170.00	101 4641308	170.00
7390445	C2060	CA WATER SERVICE COMPANY	08/14/17-09/14/17 WATER SVC	1,146.71	482 4636654	1,146.71
7390446	C0914	CAMPBELL II, EDWARD LEE	09/17 SPORTS OFFICIAL	740.00	101 4641308	740.00
7390447	08218	CHERRY, KEVIN	09/17 SPORTS OFFICIAL	176.00	101 4641308	176.00
7390448	C0054	COLE-ROUS, JOHN	09/17 SPORTS OFFICIAL	290.00	101 4641308	290.00
7390449	00794	CORRALES, RUDY	09/17 SPORTS OFFICIAL	200.00	101 4641308	200.00
7390450	08124	DONES, AMANDA	09/17 SPORTS OFFICIAL	220.00	101 4641308	220.00
7390451	03409	DOUTRE, ROBERT	09/17 SPORTS OFFICIAL	860.00	101 4641308	860.00
7390452	05665	EGGERTH, DARRELL	09/17 SPORTS OFFICIAL	300.00	101 4641308	300.00
7390453	08394	ELLISON, RONALD	RFND-PERMIT FEE-PMT #17-04148	153.00	251 3201100	153.00
7390454	C9406	ESTES, MAURICE (W/H)	09/17 SPORTS OFFICIAL	520.00	101 4641308	520.00
7390455	02108	FRANCHISE TAX BOARD	LEVY PROCEEDS	50.00	101 2159000	50.00
7390456	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	100.00	101 2159000	100.00
7390457	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	121.32	101 2159000	121.32
7390458	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	155.00	101 2159000	155.00
7390459	07201	HALL JR, CHARLES	09/17 SPORTS OFFICIAL	440.00	101 4641308	440.00
7390460	D0325	HAMMOND, GWYNNE	09/17 SPORTS OFFICIAL	380.00	101 4641308	380.00

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390461	02585	HARRELL, BARON	09/17 SPORTS OFFICIAL	320.00	101 4641308	320.00
7390462	08093	HEGRE, AUBREY	09/17 SPORTS OFFICIAL	420.00	101 4641308	420.00
7390463	D3448	L A CO SHERIFF'S DEPT	FILE #3631104150058	125.00	101 2159000	125.00
7390464	1214	L A CO SHERIFF'S DEPT	08/17-SPECIAL EVENT-AV PARADE	2,827.09	101 4820355 101 4820357	2,623.85 203.24
				<u>2,827.09</u>		<u>2,827.09</u>
7390465	1215	L A CO WATERWORKS	07/18/17-09/21/17 WATER SVC	38,801.18	101 4631654 101 4632654 101 4633654 101 4651654 101 4810403 203 4636654 203 4752654 306 4542684 361 4541776 363 4542770 402 4650654 482 4636654	16,670.50 5,342.93 1,366.85 405.97 128.56 4,576.78 225.74 770.20 191.14 86.51 426.93 8,609.07
				<u>38,801.18</u>		<u>38,801.18</u>
7390466	D3390	LOPEZ, JOE	09/17 SPORTS OFFICIAL	1,040.00	101 4641308	1,040.00
7390467	05457	MAULDIN JR, LEO	09/17 SPORTS OFFICIAL	868.00	101 4641308	868.00
7390468	03351	MAULDIN, JOSEPH	09/17 SPORTS OFFICIAL	566.00	101 4641308	566.00
7390469	C8463	MEYER, BEN	09/17 SPORTS OFFICIAL	210.00	101 4641308	210.00
7390470	06936	MOSMAN, DESIREA	08/17-AM EXERCISE INSTRUCTOR	665.00	101 4643308	665.00
7390471	08233	NEXUS ENERGY SYSTEMS INC	RFND-SOLAR PERMIT-PMT#17-04161	187.20	251 3201104	187.20
7390472	06858	PRICE, TYLEN	09/17 SPORTS OFFICIAL	80.00	101 4641308	80.00
7390473	06160	PRIME TIME PARTY RENTALS	TENT RENTAL	675.00	101 4305205	675.00
7390474	07513	SABO, KARLIE	09/17 SPORTS OFFICIAL	180.00	101 4641308	180.00
7390475	C3064	SANTOS, RENALDO	09/17 SPORTS OFFICIAL	1,240.00	101 4641308	1,240.00
7390476	08037	SHOOK, DEAN	09/17 SPORTS OFFICIAL	200.00	101 4641308	200.00
7390477	03154	SO CA EDISON	08/08/17-09/25/17 ELECTRIC SVC	25,408.05	101 4632652 101 4633652 101 4634652	11,787.36 5,498.58 3,989.52

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
					101 4636402	488.54
					203 4636652	104.27
					361 4541776	2,226.66
					363 4542770	10.19
					363 4542771	33.65
					482 4636652	442.31
					483 4785652	97.18
					483 4785660	163.75
					484 4755652	83.86
					490 4370652	482.18
				25,408.05		25,408.05
7390478	1907	SO CA GAS COMPANY	08/17/17-09/21/17 GAS SVC	1,924.71	101 4631655	926.64
					101 4633655	713.68
					101 4635655	29.36
					101 4651655	17.56
					101 4810403	0.92
					363 4542770	29.11
					363 4542771	27.27
					402 4650655	180.17
				1,924.71		1,924.71
7390479	07494	THOMPSON, JACKLYN	09/17 SPORTS OFFICIAL	250.00	101 4641308	250.00
7390480	C7832	VAN-TUYL, BRIAN	09/17 SPORTS OFFICIAL	60.00	101 4641308	60.00
7390481	C2434	VINSA INSURANCE ASSOCIATES	10/17-10/18-TULIP POLICY RNWL	2,012.40	101 4330260	2,012.40
7390482	07169	VIVINT SOLAR DEVELOPER LLC	RFND-SOLAR PERMIT-PMT1702040	187.20	251 3201104	187.20
7390483	C5428	VOLTZ COMMERCIAL REALTY ADVSRE APPRAISAL RPT-APN 3268-025-900		2,500.00	101 4540301	2,500.00
7390484	C5428	VOLTZ COMMERCIAL REALTY ADVSRE APPRAISAL RPT-APN 3268-018-900		2,500.00	101 4540301	2,500.00
7390485	06384	VOYAGER FLEET SYSTEMS INC	VOYAGER FLEET SYSTEMS 09/24/17	1,046.11	101 2602000	1,046.11
7390486	08393	WEISER, SARA	09/17 SPORTS OFFICIAL	50.00	101 4641308	50.00
7390487	C5965	WOLF, LAWRENCE	09/17 SPORTS OFFICIAL	220.00	101 4641308	220.00
7390488	D3242	ZIMMER, DANIEL	09/17 SPORTS OFFICIAL	940.00	101 4641308	940.00
7390489	02071	A G SOD FARMS INC	NSC-SOD	845.13	101 4635404	845.13
7390490	A5389	A V FAIR	08/17-WATCH & WAGER COMM	3,028.09	101 2189000	3,028.09
7390491	C5232	A V KENNEL CLUB	RFND-RNTL DEP-OMP-09/24/17	100.00	101 2182001	100.00
			RFND-RNTL OVRPMNT-OMP-09/24/17	170.00	101 2182001	170.00
				270.00		270.00

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390492	00174	A V ROOFING CO INC	1717 E AVE I #47-ROOF REPAIRS	660.00	101 4545940	660.00
7390493	08390	AVAACC	RFND-DEPOSIT-MOAH-09/23/17 RFND-OVRPMNT-MOAH-09/23/17	250.00 850.00 <u>1,100.00</u>	101 2182001 101 2182001	250.00 850.00 <u>1,100.00</u>
7390494	05445	ADELMAN BROADCASTING, INC	CA-09/17-ADVERTISEMENTS	1,500.00	101 4684222C	1,500.00
7390495	06408	AFFORDABLE GENERATOR SRVCS,INC	CH-GENERATOR REPAIRS	1,003.79	101 4633402	1,003.79
7390496	06352	AGILITY RECOVERY SOLUTIONS	10/17-READYSUITE	665.00	101 4315302	665.00
7390497	C9004	ALLEN, NICOLE	NA-PR DM-DENVER-10/09-10/17	103.50	101 4305201	103.50
7390498	D3147	AMERICAN PLUMBING SERVICES,INC	LMS-UNCLOG DRAINS OMP-FOUNTAIN REPAIRS PLUMBING REPAIRS	142.50 95.00 250.00 <u>487.50</u>	101 4632402 101 4634402 101 4633402	142.50 95.00 250.00 <u>487.50</u>
7390499	08130	ARTAROUND STUDIO	09/17-KIDSWORK INSTRUCTION	270.00	101 4643308	270.00
7390500	D2995	ARTILLERY, LLC	MOAH-11/17-12/17-ADVERTISEMENT	1,250.00	101 4644205	1,250.00
7390501	D0879	B'S EMBROIDERY ETC	UNIFORM SHIRTS/EMBROIDERY	383.47	101 4633209	383.47
7390502	06044	BENDER, KRISTINE	09/17-YOGA INSTRUCTOR 09/17-YOGA INSTRUCTOR 09/17-YOGA INSTRUCTOR	141.00 138.00 141.00 <u>420.00</u>	101 4643308 101 4643308 101 4643308	141.00 138.00 141.00 <u>420.00</u>
7390503	03353	BOZIGIAN, MARK	MB-PR DM-DENVER-10/09-10/17	103.50	101 4200201	103.50
7390504	08017	BURKE, WILLIAMS & SORENSEN LLP	05/17-PROFESSIONAL SERVICES 07/17-PROFESSIONAL SERVICES 08/17-PROFESSIONAL SERVICES	1,984.50 2,740.50 4,378.50 <u>9,103.50</u>	101 4320301 101 4320301 101 4320301	1,984.50 2,740.50 4,378.50 <u>9,103.50</u>
7390505	06020	CANON FINANCIAL SERVICES, INC	08/17 COPIER LEASE	13,015.03	101 4310254	13,015.03
7390506	D0775	CAUDLE, JASON	JC-PR DM-DENVER-10/09-10/17	103.50	101 4200201	103.50
7390507	C8944	CLASS C SOLUTIONS GROUP	SAFETY COVERS(9)	98.19	101 4753214	98.19
7390508	05128	CLEANSTREET	SPECL SWEEPNG FEE-08/22-23/17 SPECIAL SWEEPING FEE-09/09/17	1,960.00 366.00 <u>2,326.00</u>	210 12ST036924 101 4684222C	1,960.00 366.00 <u>2,326.00</u>
7390509	D2070	CONFIDENTIAL DATA DESTRUCTION	DOCUMENT DESTRUCTION(200 BXS)	600.00	101 4110251	600.00

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390510	03450	COSTCO	SOL-VIP BEVERAGES	187.09	101 4684222S	187.09
7390511	04178	COVERMASTER	LMS-WEIGHTED TARPS(1)	372.46	101 4632404	372.46
7390512	C5109	D'S CERAMICS	09/17-POTTERS WHEEL INSTRUCTN	91.00	101 4643308	91.00
7390513	A9377	DAVIS COMMUNICATIONS	08/17-YOLO-WEB SUPPORT	1,346.44	306 4542355	1,346.44
7390514	A0925	DESERT HAVEN ENTERPRISES	10TH W/AVE H8-TRASH RMVL NEWGROVE ST-TRASH RMVL W AVE H14-TRASH RMVL AVE N/32ND W-TRASH RMVL	780.54 659.46 1,719.20 1,610.45 <u>4,769.65</u>	101 4545940 101 4545940 101 4545940 101 4545940	780.54 659.46 1,719.20 1,610.45 <u>4,769.65</u>
7390515	00414	DESERT LOCK COMPANY	JRP-KEYS/CLIPS/RINGS MP-LOCK REPAIRS/KEYS EPL-LOCK REPAIRS NSC-KEYS(3) LOCKS(6) CH-LOCK LUBRICANT(2)	26.71 347.83 100.00 3.00 122.91 22.94 <u>623.39</u>	101 4631207 101 4631402 101 4631402 101 4635403 101 4633404 101 4633403	26.71 347.83 100.00 3.00 122.91 22.94 <u>623.39</u>
7390516	05473	DEWEY PEST CONTROL	PAC-09/17-PEST CONTROL SVC CDR ST-09/17-PEST CONTROL SVC LUC-09/16-PEST CONTROL SVC LBP-09/16-PEST CONTROL SVC	50.00 90.00 75.00 95.00 <u>310.00</u>	402 4650301 101 4633301 101 4633301 101 4636301	50.00 90.00 75.00 95.00 <u>310.00</u>
7390517	07159	DIAZ, BRANDON	09/17-TENNIS INSTRUCTOR 09/17-TENNIS INSTRUCTOR 09/17-TENNIS INSTRUCTOR	75.60 215.60 176.40 <u>467.60</u>	101 4643308 101 4643308 101 4643308	75.60 215.60 176.40 <u>467.60</u>
7390518	08381	EMPIRE CLEANING SUPPLY	TRASH LINERS(25 CASES)	762.84	101 4633406	762.84
7390519	08333	EXPO NAILS	RFND-BUS RNWL FEES #10029088	152.60	101 2179004 101 3102200 101 3102250 101 3102300 <u>152.60</u>	1.00 89.00 27.00 35.60 <u>152.60</u>
7390520	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	177.47	101 4540212	177.47
7390521	D0315	FREGOSO, PHYLLIS	10/17-STANDARD RETAINER	8,300.00	101 4620301	8,300.00
7390522	07665	FRONTIER ENERGY INC	LCE-08/17-PROFESSIONAL SVCS	4,315.25	490 4370301 490 4370319 <u>4,315.25</u>	2,157.62 2,157.63 <u>4,315.25</u>

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390523	C9194	GAIL MATERIALS	LMS-SAND	1,341.31	101 4632404	1,341.31
7390524	06649	GRADY, VICTOR	09/17-GUITAR INSTRUCTOR	147.00	101 4643308	147.00
7390525	C9980	GRANICUS, INC	09/17-MNGD SVC/STRM REP UPGRD DIGITAL ENCODER UPGRADE	1,778.00 200.00 <u>1,978.00</u>	101 4305402 101 4305753	1,778.00 200.00 <u>1,978.00</u>
7390526	C0509	GREATER A V ECONOMIC ALLIANCE	ANNUAL INVESTOR MEMBERSHP	15,000.00	101 4540340	15,000.00
7390527	C4032	HOUSING RIGHTS CENTER	07/17-FAIR HOUSING PROGRAM	1,260.14	361 4541301	1,260.14
7390528	05750	I S C O MACHINERY	MTNC-TRUCK RNTL-08/21-09/18/17	3,969.00	203 4752602	3,969.00
7390529	D3842	INNOVATION EDUCATION	09/17-SUMMER WORKSHOP INSTRCTN 09/17-ITALIAN INSTRUCTION 09/17-ITALIAN INSTRUCTION 09/17-ITALIAN INSTRUCTION	36.00 280.00 112.00 56.00 <u>484.00</u>	101 4651308 101 4651308 101 4651308 101 4643308	36.00 280.00 112.00 56.00 <u>484.00</u>
7390530	06623	INTERN'L DANCE FITNESS ACADEMY	09/17-ZUMBA INSTRUCTION 09/17-HIP HOP INSTRUCTION	63.00 147.00 <u>210.00</u>	101 4643308 101 4643308	63.00 147.00 <u>210.00</u>
7390531	04476	J T B SUPPLY INC	GREEN LED LIGHTS(50)	1,714.17	483 4785461	1,714.17
7390532	01419	JOHNSTONE SUPPLY	PAC-CONTACTOR(2) MOAH-MOTOR LUC-FILTERS/BELTS CH-CHARGING HOSE/MANIFOLD LUC-FAN MOTOR/MOTOR CAPACITOR PAC-THERMOSTATS(2) BEARINGS(2)	132.63 308.96 330.66 178.92 79.75 332.12 24.58 <u>1,387.62</u>	402 4650402 101 4633403 101 4633403 101 4633403 101 4633403 402 4650402 101 4636402	132.63 308.96 330.66 178.92 79.75 332.12 24.58 <u>1,387.62</u>
7390533	C6249	KAHRAMANIAN, ARAXIE	AK-PR DM-CSTA MESA-10/09-11/17	160.00	101 4320256	160.00
7390534	D1903	KERN MACHINERY INC-LANCASTER	NSC-DEFLECTOR-EQ5616	531.36	101 4635207	531.36
7390535	C8919	KOCUREK, PHILLIP	09/17-PHOTOGRAPHY INSTRUCTOR	195.00	101 4643308	195.00
7390536	D0600	L A CO DEPT OF PUBLIC WORKS	REIMB-CHIP SEAL PROGRAM	587.84	252 12ST036924	587.84
7390537	06836	MARTINEZ PUBLICATIONS CORP	HOUSING-ADVERTISING	560.00	361 4541263	560.00
7390538	06663	MASON, MELINDA	CA-PHOTO SERVICES FALLEN HEROES-PHOTO SERVICES LEARN FOR LIFE-PHOTO SERVICES	250.00 50.00 50.00 <u>350.00</u>	101 4305301 101 4305301 101 4305301	250.00 50.00 50.00 <u>350.00</u>

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390539	C1198	MC PHERSON CONSULTING	NSC-LIGHTING REPAIRS	242.00	101 4635402	242.00
7390540	08321	MEAN GREEN MOWERS	ELECTRIC MOWER	25,523.00	101 2175000	(2,307.23)
					204 4632753	27,830.23
				<u>25,523.00</u>		<u>25,523.00</u>
7390541	08180	METROPOLITAN COMPOUNDS INC	DISINFECTANT/MARK OFF	1,873.90	101 4631404	702.95
					101 4634404	702.95
					101 4635404	468.00
				<u>1,873.90</u>		<u>1,873.90</u>
7390542	D3578	MINUTEMAN PRESS	LCE-00N1 WEEK 102 NOTICES	220.98	490 4370213	220.98
			LCE-00N2 WEEK 102 NOTICES	127.62	490 4370213	127.62
			CCEA-FOLDRS/LANYRDS/BNNR STNDS	1,911.25	491 4370205	1,911.25
				<u>2,259.85</u>		<u>2,259.85</u>
7390543	05773	MORRISON WELL MAINTENANCE	NSC-08/17-BACTERIOLOGICAL TEST	200.00	101 4635301	200.00
7390544	07509	NAPA AUTO PARTS	OIL/AIR FILTERS-EQ1739	16.45	101 4620207	16.45
			OIL FILTER-EQ3301	3.88	203 4752207	3.88
			OIL/AIR FILTERS-EQ3306	18.00	484 4752207	18.00
			AIR FILTERS(3)-EQ3384	48.41	203 4752207	48.41
			OIL/AIR FILTERS-EQ3759	16.53	203 4752207	16.53
			OIL/AIR FILTERS-EQ3763	17.77	203 4752207	17.77
			OIL/AIR/FUEL FILTERS-EQ3764	132.98	203 4752207	132.98
			OIL/AIR/FUEL FILTERS-EQ3769	136.04	203 4752207	136.04
			OIL/AIR/FUEL FILTERS-EQ3770	93.50	203 4752207	93.50
			OIL/AIR/FUEL FILTERS-EQ3779	87.77	480 4755207	87.77
			OIL/AIR FILTERS-EQ3822	16.53	203 4752207	16.53
			OIL/AIR FILTERS-EQ3989	68.43	480 4755207	68.43
			OIL FILTER-EQ3992	3.62	480 4755207	3.62
			OIL FILTER-EQ4300	4.11	203 4752207	4.11
			OIL FILTER-EQ4356	4.16	483 4785207	4.16
			OIL FILTER-EQ5600	4.52	101 4662207	4.52
			OIL/AIR/FUEL FILTERS-EQ5665	29.85	101 4631207	29.85
			OIL/AIR/FUEL FILTERS-EQ5667	16.96	101 4634207	16.96
			OIL/AIR FILTERS-EQ5703	18.00	101 4634207	18.00
			OIL FILTER-EQ5710	4.11	101 4635207	4.11
			OIL/AIR/FUEL FILTERS-EQ5848	16.96	101 4635207	16.96
			OIL/FUEL/AIR FILTERS-EQ5849	16.96	101 4635207	16.96
			OIL/AIR FILTERS-EQ7508	16.76	101 4761207	16.76
			OIL/AIR/FUEL FILTERS-EQ7603	20.76	101 4761207	20.76
			OIL FILTER-EQ7768	3.81	251 4783207	3.81
				<u>816.87</u>		<u>816.87</u>
7390545	D2822	NATIONAL CINEMEDIA, LLC	FLIGHT ADS-08/23-31/17	47.68	101 4640205	7.98
					101 4681222	7.94
					101 4684222B	7.94
					101 4684222C	7.94

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
					101 4684222M	7.94
					101 4684222S	7.94
				47.68		47.68
7390546	06148	NIK-O-LOK, INC	10/17-MONTHLY COIN LOCK LEASE	39.00	101 4633403	39.00
7390547	C8102	NOGA, ANDREW	AN-PR DM-YOSEMITE-10/08-13/17	379.50	101 4320256	379.50
7390548	06513	ODYSSEY POWER	MTNC YD-GENERATOR REPAIRS	870.48	203 4752402	870.48
7390549	C3052	OXFORD INN AND SUITES	PAC-LDGNG-LETTERMAN-9/14-15/17	423.68	402 4650257	423.68
			PAC-LDGNG-LETTERMAN-09/16/17	1,140.00	402 4650257	1,140.00
			PAC-LDG-R STUDDARD-09/20-21/17	760.00	402 4650257	760.00
				2,323.68		2,323.68
7390550	05741	P P G ARCHITECTURAL FINISHES	PBP-TOWELS/PAIL/LINER	162.55	101 4631403	162.55
			NSC-PUMP REPAIR KITS-EQ5620	200.78	101 4635207	200.78
			NSC-FIELD PAINT	1,276.07	101 4635404	1,276.07
			JRP-PAINT	125.41	101 4631403	125.41
				1,764.81		1,764.81
7390551	D1515	PACIFIC STATE APPRAISAL	1640 SILVIA AVE-APPRAISAL	350.00	363 4542771	350.00
			1227 PASTEUR DR-APPRAISAL	350.00	363 4542770	350.00
				700.00		700.00
7390552	05998	PAVING THE WAY FOUNDATION	CMMNTY SPPRT/GOOD CTZNSHP PRGM	450.00	399 4820776	450.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	5,500.00	101 4820301	5,500.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	1,776.00	399 4820776	1,776.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	1,000.00	399 4820776	1,000.00
				8,726.00		8,726.00
7390553	07188	PEPPER POT CHEFS	09/17-COOKING INSTRUCTION	162.00	101 4643308	162.00
7390554	C8786	PEREZ, RONDA	RP-PR DM-SACRAMNTO-09/13-15/17	160.00	101 4620201	160.00
7390555	05532	PLAYPOWER LT FARMINGTON INC	JRP/PBD/EDP-SWING BEARINGS(10)	1,533.91	101 4631403	1,533.91
7390556	C1159	ROSA, MICHAEL	MR-REIMB-SOL-BEVERAGES	37.12	101 4684222S	37.12
7390557	04337	RUIZ, LINDA	09/17-TENNIS INSTRUCTOR	321.30	101 4643308	321.30
			09/17-TENNIS INSTRUCTOR	321.30	101 4643308	321.30
				642.60		642.60
7390558	08323	S C & A INC	RFND-RNTL DEP-OMP-08/05/17	100.00	101 2182001	100.00
7390559	D3947	S G A CLEANING SERVICES	INCUBATOR B-PAINT/WALL REPAIR	1,625.00	101 4636402	1,625.00
7390560	D3530	S R PANACHE	09/17-SIGN NIGHT INSTRUCTION	478.80	101 4643308	478.80
7390561	A8260	SAGE STAFFING	GK-PUBLIC SFTY STFF-09/11-15/17	503.55	101 4820301	503.55

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			SS-PUBLIC SFTY STFF-09/11-15/17	335.70	101 4820301	335.70
				839.25		839.25
7390562	1894	SIGNS & DESIGNS	RB-NAMEPLATE	17.84	101 4620259	17.84
7390563	05952	SINCLAIR PRINTING COMPANY	FALL 2017 OUTLOOK(63310)	27,474.19	101 4305253	20,605.64
					101 4643253	6,868.55
				27,474.19		27,474.19
7390564	01816	SMITH PIPE & SUPPLY INC	WCP-ROTORS(4)	169.68	101 4631404	169.68
			MP-ROTORS(10)	128.37	101 4631404	128.37
				298.05		298.05
7390565	03154	SO CA EDISON	08/22/17-09/21/17 ELECTRIC SVC	196.57	482 4636652	196.57
7390566	04688	SPARKLETTS	WATER(9-24PKS)	88.85	101 4100205	88.85
7390567	06429	STANTEC CONSULTING SRVCS INC	CP1507-RFQ 646-16 MULTI YR-8	1,768.00	220 4761301	1,768.00
7390568	D2143	STREAMLINE AUDIO VISUAL, INC	CS-SOUND TECHS/EQPMNT-09/14/17	1,570.00	101 4680225	1,570.00
7390569	05590	STUDIO EQUIPMENT RENTALS INC	CA-GENERTR RNTL-09/09-10/17	841.25	101 4684222C	841.25
7390570	08005	T B X EMPLOYEE BENEFITS LLC	09/17-TELEMED	896.00	101 2170216	896.00
7390571	06220	T R C SOLUTIONS, INC	CP13018-AVE K/SR14 INTERCHANGE	44,494.72	210 15BR004924	44,494.72
7390572	07266	THOMAS, JOSH	JT-REIMB-SOL-BEVERAGES	208.92	101 4684222S	208.92
7390573	C5522	THOMSON REUTERS-WEST PMT CENT	08/17-INFORMATION CHARGES	265.34	101 4820301	265.34
			08/17-INFORMATION CHARGES	779.11	101 4545301	779.11
			08/17-INFORMATION CHARGES	492.82	101 4400301	492.82
			LIBRARY PLAN-08/05-09/04/17	22.90	101 4400301	22.90
				1,560.17		1,560.17
7390574	08311	TONDREAU, MARTIN	RFND-RENTAL PROPERTY FEES	125.00	101 3102400	22.00
					101 3102401	103.00
				125.00		125.00
7390575	D4104	TROUTMAN SANDERS LLP	07/17-LEGAL SERVICES-RFI/RFP	9,935.50	491 4370303	9,935.50
7390576	02977	TURBO DATA SYSTEMS INC	09/17-PARKNG CITATN PROCESSING	6,301.00	101 4810301	6,301.00
7390577	07025	U-HAUL	MOAH-TRUCK RENTAL-08/01/17	339.89	101 4644602	339.89
7390578	C4011	UNITED RENTALS	MOAH-LIFT RNTL-09/20-25/17	538.06	101 4315251	538.06
7390579	05834	VENCO WESTERN, INC	09/17-LMD MAINTENANCE	37,320.00	101 4631402	18,750.00
					101 4634402	9,570.00
					101 4635402	9,000.00

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				37,320.00		37,320.00
7390580	D3370	VERIZON WIRELESS	08/17-IPAD SERVICE	8,848.78	101 4315651	2,697.98
					109 4315291	6,150.80
				<u>8,848.78</u>		<u>8,848.78</u>
7390581	04496	VULCAN MATERIAL WESTERN DIV	COLD MIX	76.58	203 4752410	76.58
			ASPHALT	159.94	203 4752410	159.94
			COLD MIX	128.59	203 4752410	128.59
			COLD MIX	102.59	203 4752410	102.59
			ASPHALT	281.46	203 4752410	281.46
				<u>749.16</u>		<u>749.16</u>
7390582	D3230	ZERO WASTE USA	OMP-TRASH BAGS(12 CASES)	902.72	207 4634406	902.72
7390583	06344	AERO VIEW LLC	10/17-LEAPS SERVICES	89,991.00	101 4820301	89,991.00
7390584	07101	CALPINE ENERGY SOLUTIONS LLC	08/17-LCE-BACK OFFICE SERVICES	69,820.00	490 4370301	69,820.00
7390585	1348	MATALON, LEON	TCKT PRCDs-JAZZ HORZNS-9/15/17	674.98	101 2107000	995.30
					402 3405102	(10.00)
					402 3405127	(293.82)
					402 3405303	(16.50)
				<u>674.98</u>		<u>674.98</u>
7390586	08404	AV CHURCH OF RELIGIOUS SILENCE	RFND-BL #10013584-RNWL FEES	116.00	101 3102200	89.00
					101 3102250	27.00
				<u>116.00</u>		<u>116.00</u>
7390587	08297	CITIBANK	TRAVEL STORE FEES	268.95	101 4785201	5.00
					361 4541201	7.00
					361 4541201	256.95
				<u>268.95</u>		<u>268.95</u>
7390588	D3231	COUWENBERG, ANDREA	10/17-CONTRACT SERVICES	10,266.00	101 4644308	10,266.00
7390589	08242	DAVID VICTOR PRESENTS LLC	BAL-BOSTYX-10/13/17	3,750.00	402 4650318	3,750.00
7390590	D3476	DIVISION OF STATE ARCHITECT	JUL-SEP 17-30% SB1186 FEES	647.70	101 2179004	647.70
7390591	D0904	HARTWIG PROPERTY MANAGEMENT	RFND-INSPECTN FEE-LIC 06005456	103.00	101 3102401	103.00
7390592	C9634	HEENE ENTERPRISES LLC	BAL-MANHATTAN TRANSFR-10/15/17	7,500.00	402 4650318	7,500.00
7390593	1296	L A CO CLERK-ENVIRO FILINGS	NOD:ELEMENTARY PED IMPRVMENTS	2,291.25	209 15ST037924	2,291.25
7390594	1214	L A CO SHERIFF'S DEPT	08/17-PRISONER MAINTENANCE	795.64	101 4820355	795.64
7390595	1215	L A CO WATERWORKS	07/26/17-09/26/17 WATER SVC	9,661.51	203 4636654	2,319.24
					482 4636654	7,342.27

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				9,661.51		9,661.51
7390596	08250	LAFFALOT ENTERTAINMENT LLC	BAL-KEVIN JOHNSON-10/14/17	2,500.00	402 4650318	2,500.00
7390597	A4930	LANDALE MUTUAL WATER COMPANY	L/CHALLENGER-09/17 WATER SVC	56.39	203 4636654	56.39
7390598	A7221	P E R S LONG TERM CARE PROGRAM	LONG TERM CARE PREM-PP 20-2017	2,147.46	101 2170200	2,147.46
7390599	08403	PARSONS ELECTRIC LLC	RFND-BL FEES-BUS001071	161.50	101 2179004	1.00
					101 3102200	89.00
					101 3102250	27.00
					101 3102300	44.50
				161.50		161.50
7390600	D0998	RENEE, KATHY	RFND-JAN 2017 MET LIFE PREMIUM	8.89	109 1101000	8.89
7390601	03154	SO CA EDISON	08/23/17-10/03/17 ELECTRIC SVC	6,614.57	402 4650652	6,189.38
					482 4636652	232.71
					483 4752652	52.82
					483 4785652	120.11
					483 4785660	19.55
				6,614.57		6,614.57
7390602	C2555	TIME WARNER CABLE	10/17-TV SVC-LCE/EXERCISE RM	11.14	101 4315651	11.14
7390603	C2555	TIME WARNER CABLE	10/17-TV SERVICE-VICE MAYOR	16.90	101 4315651	16.90
7390604	C2555	TIME WARNER CABLE	10/17-BUSINESS-MAYORS OFFICE	129.12	101 4315651	129.12
7390605	C2555	TIME WARNER CABLE	10/17-ROADRUNNER SERVICE	232.46	101 4315651	232.46
7390606	01039	A V FORD LINCOLN MERCURY	REGULATOR-EQ7507	81.05	251 4783207	81.05
			RETAINER-EQ3822	6.62	203 4752207	6.62
				87.67		87.67
7390607	03854	A V JANITORIAL SUPPLY	PBP-T PPR/TWLS/CLEANR/DSNFCTNT	1,470.51	101 4631406	1,470.51
			PBP-DEODORANTS(3)	235.98	101 4631406	235.98
			PBP-TRSH CN/GLVS/DEODRNT/T PPR	1,994.63	101 4631406	1,994.63
				3,701.12		3,701.12
7390608	06294	A V WEB DESIGNS	NSC-09/17-MONTHLY HOSTING CHGS	99.95	101 4660301	99.95
7390609	07637	ABAIED, KATHLEEN	KA-REIMB-MILG-SAC-09/13-15/17	195.28	101 4320256	195.28
7390610	05449	ACCELA, INC	CG-TRAINING-TRAVEL-03/09/17	483.59	101 4315302	483.59
7390611	05445	ADELMAN BROADCASTING, INC	SOL-09/17-ADVERTISEMENTS	1,740.00	101 4684222S	1,740.00
			SOL-09/17-ADVERTISEMENTS	1,740.00	101 4684222S	1,740.00
			SOL-09/17-ADVERTISEMENTS	1,620.00	101 4684222S	1,620.00
			SOL-09/17-ADVERTISEMENTS	1,740.00	101 4684222S	1,740.00

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			SOL-09/17-ADVERTISEMENTS	1,620.00	101 4684222S	1,620.00
				8,460.00		8,460.00
7390612	06408	AFFORDABLE GENERATOR SRVCS,INC	CH-GENERATOR REPAIRS	3,942.39	101 4633402	3,942.39
7390613	08181	ALLSTAR CABLE PRODUCTS INC	CP16009-TRAFFIC SIGNAL CABLE	1,799.57	203 12ST034924	1,799.57
7390614	C6143	AMERICAN BUSINESS MACHINES	IMAGE RUNNER ADV COPIER	18.91	101 4310254	18.91
7390615	C9032	AMERICAN WATER WORKS INC	FUEL PUMP/LABOR-EQ3999	306.42	203 4752207	306.42
			LABOR/IGN TRANSFRMER-EQ3999	860.52	203 4752207	860.52
				1,166.94		1,166.94
7390616	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS	50.93	101 4753209	50.93
			UNIFORM CLEANINGS	45.14	101 4753209	45.14
				96.07		96.07
7390617	05251	AMTECH ELEVATOR SERVICES	09/17-ELEVATOR SERVICE	954.79	101 4632301	257.06
					101 4633301	257.06
					402 4650301	440.67
				954.79		954.79
7390618	02693	ANDY GUMP, INC	HP-FENCE RNTL-09/21-10/18/17	17.70	101 4634602	17.70
7390619	05179	ARAMARK UNIFORM SVCS	UNIFORM CLEANINGS	112.65	480 4755209	112.65
7390620	08372	ARMANDO, ISLAS	RFND-PERMIT FEE-PMT1703524	1,401.85	101 2174000	767.45
					251 3201100	634.40
				1,401.85		1,401.85
7390621	D0879	B'S EMBROIDERY ETC	NSC-HOODIES/HATS	582.30	101 4635209	582.30
7390622	03485	BAKERSFIELD TRUCK CENTER	MOTOR ASSY/LINK-EQ3779	573.82	480 4755207	573.82
			CONTROL LEVER-EQ3779	67.63	480 4755207	67.63
			PANEL DASH-EQ3779	4,115.53	480 4755207	4,115.53
				4,756.98		4,756.98
7390623	08380	BARRERA, RICARDO	SOL-FOOD VENDOR	2,520.00	101 4684222S	2,520.00
7390624	08402	BROWN, BRESHAWNA	RFND-RNTL DEP-OMP-09/30/17	100.00	101 2182001	100.00
7390625	08094	BURRELLESLUCE	09/17-MONTHLY MEDIA CHARGES	335.40	101 4305301	335.40
7390626	06351	C T WEST, INC	CP16009-TRAFICON/MONITR/CAMERA	3,381.29	203 12ST034924	3,381.29
			CP16009-TRAFICON/MONITR/CAMERA	3,381.29	203 12ST034924	3,381.29
				6,762.58		6,762.58
7390627	A9249	CA DEPT OF CORRCTNS/REHAB	08/17-CUSTODY SUPRVSN AGREEMNT	5,742.00	484 4752308	5,742.00
7390628	08324	CA INDEP SCHOOLS ATHLTC FEDRTR	RFND-RNTL DEP-RDP-08/12/17	105.50	101 2182001	105.50

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390629	03609	CA QUARRY PRODUCTS	BOULDERS/FABRIC	1,655.14	101 4633404	1,655.14
7390630	00382	CARRIER COMMUNICATIONS	10/17-CONTRACT SERVICES	537.78	101 4200350	537.78
7390631	D3845	CHAVEZ, CARLOS	CC-REIMB-FUEL-09/28/17	84.56	101 4644217	84.56
7390632	05128	CLEANSTREET	SPECIAL SWEEPING FEE-09/30/17	183.00	101 4684222S	183.00
7390633	03552	COASTLINE EQUIPMENT CO	V RING/SEALING RING-EQ3768	283.45	203 4752207	283.45
7390634	A9377	DAVIS COMMUNICATIONS	LCE-POSTCARD/ARTWORK LAND IN LANCASTER-AD ARTWORK	170.00 85.00 <u>255.00</u>	490 4370301 101 4540340	170.00 85.00 <u>255.00</u>
7390635	07131	DE LAGE LANDEN FINANCIAL SVCS	09/15-10/14/17 NETWORK PRINTER	168.95	101 4810254	168.95
7390636	D3792	DEFALCO, CATHY	CD-PR DM-SAN DIEGO-10/18-20/17	160.00	491 4370201	160.00
7390637	00414	DESERT LOCK COMPANY	MOAH-LOCK REPAIR OMP-KEYS(10)-EQ5665	181.36 40.97 <u>222.33</u>	101 4633403 101 4631207	181.36 40.97 <u>222.33</u>
7390638	06740	DILTEX INC	GRAPHICS CARDS(15)	2,471.07	109 4315291	2,471.07
7390639	D1995	DOSH, DIANE	DD-PR DM-LAS VEGAS-10/17-20/17	224.00	101 4320256	224.00
7390640	06533	ENNIS PAINT, INC	PAINT	11,799.00	203 4785454	11,799.00
7390641	06857	ENTERTAINMENTMAX, INC	CMMSSN-RUBEN STUDDARD-09/21/17 CMMSSN-BILLY RY CYRUS-09/22/17 COMMISSN-HOWIE MANDEL-09/23/17	1,600.00 3,500.00 2,050.00 <u>7,150.00</u>	402 4650301 402 4650301 402 4650301	1,600.00 3,500.00 2,050.00 <u>7,150.00</u>
7390642	D2427	ENVIRONMENTAL SOUND SOLUTIONS	08/17-MUSIC SERVICE 10/17-MUSIC SERVICE	65.00 65.00 <u>130.00</u>	101 4633301 101 4633301	65.00 65.00 <u>130.00</u>
7390643	06380	EWING IRRIGATION PRODUCTS, INC	OMP-TURFACE(40 BAGS) LMS-SOIL TESTS(4)	664.55 183.10 <u>847.65</u>	101 4634404 101 4641251 101 4632301	332.28 332.27 183.10 <u>847.65</u>
7390644	08287	EXECUTIVE-SUITE SERVICES INC	09/17-MONTHLY JANITORIAL SRVCS	1,875.00	203 4752402	1,875.00
7390645	A8170	EXTENSIONS PERF ARTS ACADEMY	TCKT PRCDs-EXTNSNS-10/2/17	2,154.77	101 2107000 402 3405102 402 3405127 402 3405300 402 3405302	18,032.00 (666.00) (5,381.24) (7,660.00) (171.49)

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
					402 3405303	(1,798.50)
					402 3405304	(90.00)
					402 3405306	(110.00)
				<u>2,154.77</u>		<u>2,154.77</u>
7390646	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	122.90	306 4542212	122.90
			EXPRESS MAILINGS	111.52	101 1110000	42.07
					101 4620212	23.68
					217 16ST006924	45.77
				<u>234.42</u>		<u>234.42</u>
7390647	A8286	FLAG SYSTEMS	PAC-SOUND EQPMT RNT-9/20-21/17	3,975.00	402 4650602	3,975.00
			PAC-SOUND EQPMNT RNTL-09/22/17	2,650.00	402 4650602	2,650.00
				<u>6,625.00</u>		<u>6,625.00</u>
7390648	07981	FRABER PROPERTIES II LLC	CP16003-SENIOR CNTR RENOVATION	25,230.00	261 11BS025924	25,230.00
7390649	07665	FRONTIER ENERGY INC	LCE-09/17-PROFESSIONAL SVCS	5,254.00	490 4370301	3,510.39
					490 4370319	1,743.61
				<u>5,254.00</u>		<u>5,254.00</u>
7390650	C9194	GAIL MATERIALS	LMS-SAND	2,663.73	101 4632404	2,663.73
7390651	04721	GET TIRES, INC	TIRES(4)/SERVICE CALL-EQ3767	796.53	203 4752207	796.53
7390652	08399	GORDON, RANDY	RFND-RNTL DEP-MOAH-10/13/17	250.00	101 2182001	250.00
			RFND-CLASS REGISTRATION	60.00	101 2182001	60.00
				<u>310.00</u>		<u>310.00</u>
7390653	00822	H W HUNTER, INC	WHEEL CAP-EQ5661	197.98	101 4632207	197.98
			CANISTER/STUDS(5)-EQ5857	220.31	101 4640207	220.31
				<u>418.29</u>		<u>418.29</u>
7390654	00849	HAAKER EQUIPMENT CO	FILTER INSTALL/HOSE-EQ3779	7,457.45	480 4755207	7,457.45
			BUSHINGS/GASKETS-EQ3779	43.37	480 4755207	43.37
			BUSHINGS(5)-EQ3779	190.05	480 4755207	190.05
			KEY-EQ3351	12.55	480 4755207	12.55
			FAN ASSY-EQ3351	3,900.46	480 4755207	3,900.46
			GASKETS(5)-EQ3779	43.74	480 4755207	43.74
				<u>11,647.62</u>		<u>11,647.62</u>
7390655	07030	HARTER, MAXWELL	SOL-HAY DELIVERY/PICK-UP	832.00	101 4684222S	832.00
7390656	07268	HIGH DESERT BROADCASTING	PAC-09/17-ADS-BILLY RAY CYRUS	750.00	402 4650205	750.00
7390657	C9535	HILLYARD/LOS ANGELES	PAC-CAN LINERS(12 CASES)	544.96	402 4650406	544.96
7390658	08203	HP COMMUNICATIONS INC	EMERGENCY OUTAGE RESPONSE CREW	4,500.00	480 4755402	4,500.00
7390659	06283	INST OF RISK AND SFTY ANALYSES	CLAIM #017-16/CLGL-1377A1	1,486.00	109 4330300	1,486.00

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390660	A2594	INTERSTATE BATTERY SYS OF A V	BATTERIES(3)	279.24	101 4783207	95.42
					101 4810207	89.40
					101 4810207	94.42
				<u>279.24</u>		<u>279.24</u>
7390661	D4004	J P POOLS	EPL-POOL CHEMICALS	800.00	101 4631670	800.00
			WPL-CONSULTING/SERVICE	700.00	101 4631670	700.00
			TBP-SPLASH PAD MAINTENANCE	1,120.00	101 4631670	1,120.00
			AHP-FOUNTAIN REPAIRS/CHEMICALS	1,950.00	101 4631670	1,950.00
				<u>4,570.00</u>		<u>4,570.00</u>
7390662	01419	JOHNSTONE SUPPLY	MULTIMETER	146.89	101 4633403	146.89
			LBP-FUSED DISCONNECT	14.19	101 4636402	14.19
				<u>161.08</u>		<u>161.08</u>
7390663	08058	KAIZEN INFOSOURCE LLC	09/17-RETENTION CONSULTING SVC	9,072.97	109 4110301	9,072.97
7390664	08363	KAMBRIAN CORPORATION	IPAD OTTERBOX CASES(8)	640.78	109 4315291	640.78
7390665	D1903	KERN MACHINERY INC-LANCASTER	LMS-CRDT-MOWER REEL-EQ5603	(305.00)	101 4632207	(305.00)
			CREDIT/HEADLIGHTS-EQ5848	(38.66)	101 4635207	(38.66)
			SEAT-EQ5849	176.07	101 4635207	176.07
			WEATHER STRIP-EQ5853	25.13	101 4635207	25.13
			NSC-TIRE/SPCR/BSHNG-EQ5616	233.48	101 4635207	233.48
			NSC-KEYS/PIN	31.10	101 4635230	31.10
			LMS-CRDT-MOWER REEL-EQ5603	(65.99)	101 4632207	(65.99)
			LMS-OIL	28.19	101 4632230	28.19
				<u>84.32</u>		<u>84.32</u>
7390666	07027	KYLE, JACOB	SOL-HAY DELIVERY/PICK-UP	1,040.00	101 4684222S	1,040.00
7390667	D2287	LANCASTER CODE ENFRMNT ASSN	UNION DUES-PP 20-2017	300.00	101 2171000	300.00
7390668	1203	LANCASTER PLUMBING SUPPLY	OMP-CLOSET KITS/URINAL KITS	179.43	101 4634403	179.43
7390669	05599	LEE, WATSON W S	09/17-FINGERPRINT ANALYSIS	476.49	101 4820301	476.49
7390670	D1736	LEVEL 3 COMMUNICATIONS LLC	09/17-INTERNET/DATA-#50041351	3,931.67	101 4315651	3,931.67
7390671	04351	LYN GRAFIX	UNIFORM POLO	35.31	101 4680225	35.31
			40TH ANNIVERSARY-MUGS(300)	2,017.67	101 4305205	2,017.67
				<u>2,052.98</u>		<u>2,052.98</u>
7390672	06663	MASON, MELINDA	CALI'S CAFE-PHOTO SERVICES	50.00	101 4305301	50.00
			BARK AT THE PARK-PHOTO SVCS	50.00	101 4305301	50.00
			AV SENIOR CENTER-PHOTO SVS	50.00	101 4305301	50.00
			OWENS HWY DEDICATN-PHOTO SVCS	50.00	101 4305301	50.00
				<u>200.00</u>		<u>200.00</u>

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390673	C3413	MATHER BROS INC	LMS-FREEZER RENTAL	325.00	101 4632602	325.00
7390674	C8380	MC CORMICK ELECTRIC & CONST	JRP-TRACE ELECRICAL LINES AHP-LIGHTING REPAIRS	180.00 825.00 <u>1,005.00</u>	101 4631402 101 4631402	180.00 825.00 <u>1,005.00</u>
7390675	C1198	MC PHERSON CONSULTING	PDW-SMOKE DETECTOR REPAIRS	383.45	101 4634402	383.45
7390676	06966	MICHAEL BAKER INT'L INC	CP13020-CONSULTING SERVICES	23,090.45	210 15BR006924	23,090.45
7390677	D3578	MINUTEMAN PRESS	40TH ANNIVERSARY-ENVELOPS(500) 40TH ANNIVERSARY-TICKETS(500) LCE-POSTCARDS(46867)	946.61 129.80 20,874.34 <u>21,950.75</u>	101 4330251 101 4330251 490 4370213	946.61 129.80 20,874.34 <u>21,950.75</u>
7390678	01184	MONTE VISTA CAR WASH	CAR WASHES(23)	307.50	101 4200207 101 4545207 101 4545207 101 4640207 101 4662207 101 4662207 101 4662207 101 4662207 101 4662207 101 4662207 101 4662207 101 4662207 101 4761207 101 4761207 101 4810207 101 4810207 101 4810207 101 4810207 101 4810207 101 4810207 101 4810207 203 4752207 251 4783207 251 4783207 480 4755207 480 4755207	13.50 12.50 14.50 12.50 11.50 12.50 12.50 14.50 14.50 15.00 12.50 14.50 12.00 12.50 13.50 13.50 14.50 14.50 13.50 14.50 14.50 13.50 13.50
				<u>307.50</u>		<u>307.50</u>
7390679	06543	MURREN, JAMES	10/17-ADMIN HEARINGS	50.00	101 4545301	50.00
7390680	07509	NAPA AUTO PARTS	BRAKE PADS(2)-EQ3303 BOOSTER CABLE-EQ5504 CONTROL ARM ASSY(4)-EQ7604 BEARING/POLISH PAD-EQ3303 AIR BRAKE VALVE/BELTS-EQ3782 BRAKE FLUID/LENS-EQ5999 COOLANT RESERVOIR-EQ4328	137.99 77.36 745.10 37.92 283.81 84.68 70.36	203 4752207 101 4633207 101 4761207 203 4752207 203 4752207 101 4634207 203 4785207	137.99 77.36 745.10 37.92 283.81 84.68 70.36

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734
 From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			PINTLE EYE-EQ3821	81.39	203 4752207	81.39
			BOLTS(2)/NUTS(2)-EQ3368	13.77	203 4752207	13.77
			AIR/FUEL FILTERS-EQ4372	42.82	203 4785207	42.82
			BATTERY MAINTAINER-EQ2309	43.69	101 4753207	43.69
				<u>1,618.89</u>		<u>1,618.89</u>
7390681	D0217	NATIONAL PAYMENT CORPORATION	09/17-DOCULIVERY ITEM CHARGE	185.77	101 4310302	185.77
7390682	06148	NIK-O-LOK, INC	08/17-MONTHLY COIN LOCK LEASE	43.00	101 4633403	43.00
7390683	D2634	O'REAR, JEFFREY R	09/17-PRODUCTION SERVICES	400.00	101 4680225	400.00
7390684	07540	OFFICETEAM	MP-HR STAFF-09/25-09/29	1,825.60	101 4320308	1,825.60
7390685	C7808	OPSEC SPECIALIZED PROTECTION	SOL-SECURTY SVC-09/28-10/01/17	8,597.50	101 4684222S	8,597.50
7390686	C3052	OXFORD INN AND SUITES	PAC-LDG-R STUDDARD-09/22/17	295.92	402 4650257	295.92
7390687	05741	P P G ARCHITECTURAL FINISHES	AIRLESS SPRAYER	546.75	101 4631208	546.75
			OMP-FIELD PAINT	68.57	101 4634404	68.57
			FOD-PAINT/SUPPLIES	119.66	101 4681222	119.66
			AHP-PAINT/TAPE/WIRE BRUSH	138.50	101 4631403	138.50
				<u>873.48</u>		<u>873.48</u>
7390688	06984	PACIFIC DESIGN & INTEGRATION	09/17-BROADCAST MANAGER SVCS	3,381.00	101 4305302	3,381.00
7390689	A7779	PHIL BURKE RIGGING, INC	PAC-RIGGING RNTL-09/6-8/17	34,880.89	402 4650402	34,880.89
7390690	03249	PRAXAIR DISTRIBUTION, INC	ARGON GAS CYLINDER	134.58	101 4753402	134.58
7390691	06160	PRIME TIME PARTY RENTALS	TENT/WALL RENTALS	600.00	101 4640251	600.00
			SOL-TENTS/TABLES/WALLS/CHAIRS	4,880.00	101 4684222S	4,880.00
				<u>5,480.00</u>		<u>5,480.00</u>
7390692	07287	PRINTING BOSS	DESIGN LOGO	180.00	101 4631402	180.00
			BANNER	572.83	101 4640251	572.83
			SOL-BANNERS(8)	209.76	101 4684222S	209.76
			BANNER	282.96	101 4684222S	282.96
			SIGNS(12)	335.40	101 4631402	335.40
			TBP-SIGNS(7)	169.34	101 4631404	169.34
				<u>1,750.29</u>		<u>1,750.29</u>
7390693	C5395	PRO ACTIVE WORK HEALTH SERVICES	RS-PHYS/ESCREEN-08/10/17	119.00	101 4320301	119.00
			AH-ESCREEN TEST-08/10/17	40.00	101 4320301	40.00
			MS-ESCREEN TEST-08/24/17	40.00	101 4320301	40.00
			MR-ESCREEN TEST-08/03/17	40.00	101 4320301	40.00
			MR-ESCREEN/BAT NON DOT-8/09/17	75.00	101 4320301	75.00
				<u>314.00</u>		<u>314.00</u>
7390694	04361	PROTECTION ONE	LMS-10/17 ALARM MONITORING	46.75	101 4632301	46.75

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			LMS-10/17 ELEVATOR MONITORING	33.77	101 4632301	33.77
				80.52		80.52
7390695	06607	PUMPMAN INC	07/17-06/18-PUMP MTNC-1ST INST	6,166.50	484 4755409	6,166.50
			07/17-06/18-QRTLY PUMP MTNC	1,665.00	484 4755409	1,665.00
				7,831.50		7,831.50
7390696	02942	QUICK CRETE PRODUCTS CORP	LBP-SIGN	3,976.70	101 4636402	3,976.70
7390697	07002	READYREFRESH BY NESTLE	08/17-WTR COOLER RENTAL/WATER	8.09	402 4650301	8.09
7390698	05747	RICK SHIPP TRUCK & EQUIP REPR	LABOR/OIL/FILTER-EQ4371	393.24	483 4785207	393.24
7390699	05943	ROBERTSON'S	CONCRETE	1,236.45	203 4752410	1,236.45
			CONCRETE	264.95	203 4752410	264.95
			CONCRETE	285.86	485 4755410	285.86
				1,787.26		1,787.26
7390700	D3947	S G A CLEANING SERVICES	AHP-GRAFFITI REMOVAL	265.00	101 4631402	265.00
			JRP-GRAFFITI REMOVAL	185.00	101 4631402	185.00
				450.00		450.00
7390701	1985	SAFEWAY SIGNS	SIGNS(20)	166.06	203 4785455	166.06
7390702	A8260	SAGE STAFFING	KH-CAP ENG STAFF-09/05-08/17	1,587.20	206 12ST036924	1,587.20
			CAP ENG STAFF-09/05-08/17	1,289.60	206 12ST036924	644.80
					251 4762308	644.80
			KH-CAP ENG STAFF-09/11-15/17	1,984.00	206 12ST036924	1,984.00
			CAP ENG STAFF-09/11-11/17	1,612.00	206 12ST036924	806.00
					251 4762308	806.00
			MB-FINANCE STAFF-09/22/17	837.00	101 4310308	837.00
			GK-PUBLIC SFTY STFF-09/18-22/17	466.25	101 4820301	466.25
			SS-PUBLIC SFTY STFF-09/18-22/17	354.35	101 4820301	354.35
			CAP ENG STAFF-09/18-22/17	1,612.00	209 12ST032924	806.00
					251 4762308	806.00
				9,742.40		9,742.40
7390703	08410	SENELLA, JAIME	JS-PR SM-LAS VEGAS-10/17-20/17	224.00	101 4320256	224.00
7390704	05934	SHI INTERNATIONAL CORP	BARRACUDA WEB APP FIREWALL	9,648.39	109 4315291	9,648.39
			FAX SERVER	2,740.32	109 4315291	2,740.32
				12,388.71		12,388.71
7390705	08401	SHORT, SHIRLONDA	RFND-CLASS REGISTRATION	25.00	101 2182001	25.00
7390706	1894	SIGNS & DESIGNS	LAN CAP SIGNS(100)	4,042.25	101 4820301	4,042.25
			SH-NAMEPLATE	17.84	101 4620259	17.84
			ALUMINUM SIGNS(8)	270.94	101 4631404	270.94
			BACKDROP STAND	261.00	101 4305205	261.00
				4,592.03		4,592.03

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7390707	01816	SMITH PIPE & SUPPLY INC	EPL-VALVE	207.58	101 4631403	207.58
			AHP-VALVE/CUTTER/TOOLS	196.88	101 4631404	196.88
			AHP-EMITTERS/DRIPLINE/AGRIFIM	71.21	101 4631404	71.21
			NSC-CONNECTORS(10)	5.59	101 4635404	5.59
			STP-CEMENT/VALVE/PVC/TAPE	145.02	101 4631404	145.02
				<u>626.28</u>		<u>626.28</u>
7390708	06429	STANTEC CONSULTING SRVCS INC	CP1507-RFQ 646-16 MULTI YR-8	4,199.00	220 4761301	4,199.00
			CP17011-STREET REHABLTATN/RPRS	1,740.76	209 12ST032924	1,740.76
				<u>5,939.76</u>		<u>5,939.76</u>
7390709	D3733	STOTZ EQUIPMENT	LMS-THATCHING BLADS(45)-EQ5840	298.75	101 4635207	298.75
7390710	D2143	STREAMLINE AUDIO VISUAL, INC	SOL-LED WALL/DESK/LIGHTS	3,525.00	101 4684222S	3,525.00
7390711	05590	STUDIO EQUIPMENT RENTALS INC	PAC-LIFT REPAIRS	496.18	402 4650402	496.18
7390712	C8057	SUNBELT RENTALS	LMS-SOD CUTTR RNTL-07/10-11/17	244.83	101 4632602	244.83
7390713	D0026	SUNDANCE, KYRA	BAP-STUNT DOG PERF-10/7-8/17	1,000.00	101 4640251	1,000.00
7390714	07969	TAPIA, BRANDON	07/17 SPORTS OFFICIAL	132.00	101 4641308	132.00
7390715	05132	THE LIFEGUARD STORE	UNIFORM SHORTS(8)	200.00	101 4642209	200.00
			UNIFORM SHORTS(6)	161.85	101 4642209	161.85
				<u>361.85</u>		<u>361.85</u>
7390716	07372	THE MODERN TEA ROOM, LLC	CATERING SERVICES	210.00	101 4540340	210.00
7390717	04239	TIM WELLS MOBILE TIRE SERVICE	REPAIR-EQ5661	15.00	101 4632207	15.00
			TIRE REPAIR-EQ6810	15.00	251 4783207	15.00
			FLAT REPAIR-EQ1515	15.00	101 4810207	15.00
			MINI VALVE STEMS(10)-EQ5999	10.00	101 4634207	10.00
			FLAT REPAIR-EQ3368	15.00	203 4752207	15.00
				<u>70.00</u>		<u>70.00</u>
7390718	2003	TIP TOP ARBORISTS, INC	CH-TREE STUMP REMOVAL	273.75	203 4636267	273.75
7390719	D1594	TOUCHPOINT ENERGIZED COMM	10/17-E NEWSLETTER SVC	375.00	101 4305302	375.00
7390720	A2124	UNDERGROUND SERVICE ALERT/SC	09/17-TICKETS(193)	328.45	484 4752301	328.45
7390721	C4011	UNITED RENTALS	SOL-CAUTION TAPE/BARRICADES	299.26	101 4684222S	299.26
7390722	31009	UNIVERSAL ELECTRONIC ALARMS	LUC-OCT-DEC 17-FIRE ALARM	75.00	101 4633301	75.00
			LUC-OCT-DEC 17-SECURITY ALARM	81.00	101 4633301	81.00
				<u>156.00</u>		<u>156.00</u>
7390723	06076	V S S EMULTECH	PMCRS-2H(4818.73)	8,673.71	206 12ST036924	3,150.20

City of Lancaster Check Register



From Check No.: 7390438 - To Check No.: 7390734

From Check Date: 10/01/17 - To Check Date: 10/14/17

Printed: 10/23/2017 9:20

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				8,673.71	206 12ST036924	5,523.51 8,673.71
7390724	2228	VALLEY CONSTRUCTION SUPPLY INC	HOSES/TAMP/GRVR/HNDLS/WD FLOAT	731.91	203 4752410	731.91
7390725	C5428	VOLTZ COMMERCIAL REALTY ADVSR	APPRSL RPT-APN 3126-009-976/8	3,500.00	101 4540301	3,500.00
7390726	04496	VULCAN MATERIAL WESTERN DIV	ASPHALT	1,106.01	101 4684222S	1,106.01
			ASPHALT	1,916.76	101 4684222S	1,916.76
			ASPHALT	1,910.56	101 4684222S	1,910.56
			COLD MIX	189.88	203 4752410	189.88
			COLD MIX	218.94	203 4752410	218.94
			ASPHALT	1,106.01	203 4752410	1,106.01
			COLD MIX	120.94	203 4752410	120.94
				6,569.10		6,569.10
7390727	05087	WALSMA OIL COMPANY	OIL	2,175.39	101 4753214	2,175.39
7390728	31026	WAXIE SANITARY SUPPLY	PAC-MOPS/TWLS/DEODRNT/BUG SPRY	1,137.46	402 4650406	1,137.46
7390729	D0298	WILLDAN FINANCIAL SERVICES	CFD 89-1-COMMNTY FACLTS ADMIN	2,051.36	830 4300301	2,051.36
			AD 93-3-LOCAL IMPROVMNT ADMIN	1,218.59	811 4100301	1,218.59
				3,269.95		3,269.95
7390730	D3679	WILLIAMS, ANITA	AW-PR DM-LAS VEGAS-10/17-20/17	224.00	101 4320256	224.00
7390731	02357	A V TRANSIT AUTHORITY	2ND QTR OPRT CNTRBTNS-FY18	374,666.34	207 4330301	374,666.34
7390732	00781	GRANITE CONSTRUCTION CO.	CP16009-2016 PVMNT MNGMNT-4	1,304,108.90	206 12ST035924	1,273,870.40
					209 12ST035924	30,238.50
			CP17002-2017 SIDEWALK REPRS-4	152,822.70	210 12ST036924	152,822.70
				1,456,931.60		1,456,931.60
7390733	07356	LEONIDA BUILDERS, INC	CP17001-2017 CURB/GUTTR RPRS-3	75,369.20	210 12ST036924	75,369.20
			CP17001-2017 CURB/GUTTR RPRS-4	90,847.55	210 12ST036924	90,847.55
				166,216.75		166,216.75
7390734	06321	SUPERKARTS! USA	SOL-RACES/PRACTICE/REPAIR INS	30,500.00	101 4680225	500.00
					101 4684222S	30,000.00
			SOL-AUDIO/VISUAL SVCS	29,000.00	101 4684222S	29,000.00
				59,500.00		59,500.00

Chk Count 297

Check Report Total 2,992,458.52

**STAFF REPORT
City of Lancaster**

CC 3
11/14/17
MVB

DATE: November 14, 2017

TO: Mayor Parris and City Council Members

FROM: Mark V. Bozigian, City Manager

SUBJECT: **Resolution Designating Hearing Officer to Hear Appeals of Business License Denials, Suspensions, Imposition of Conditions and Revocations.**

Recommendation:

Adopt **Resolution No. 17-55**, designating an independent hearing officer to hear appeals of all business license denials, suspensions, imposition of conditions and revocations.

Fiscal Impact:

While the City will incur some slight additional cost associated with utilizing a hearing officer, it is expected to be minimal, given the few number of license-related appeals that are filed each year.

Background:

Several chapters in Title 5 of the Lancaster Municipal Code (“Business Licenses and Regulations”) set forth the provisions regulating the application, review, issuance, denial, renewal and revocation of business licenses, including but not limited to general business, taxi, tow and massage.

The procedure for an applicant to appeal the denial, suspension or revocation of a license varies among the chapters. Many provide that appeals shall be in accordance with the procedures set forth in LMC Chapter 2.44 (Uniform Appeals Procedure). Pursuant to that chapter, appeals are heard by City Council. Appeals in other chapters are heard by an independent hearing officer.

In addition to desiring consistency throughout the various licensing chapters, staff must expend a substantial amount of time and resources to prepare for a hearing before Council, and an appellant must wait to get his or her appeal placed on the next available Council agenda. In contrast, preparing for a less formal hearing before an independent hearing officer is less time- and labor-intensive. As a result, a person appealing a decision has an opportunity to be heard in a more timely, expeditious manner.

On June 24, 2014, the City Council adopted Ordinance No. 998, which, in part, added Section 2.44.010.B to the Lancaster Municipal Code, providing that the City Council may designate an independent hearing officer to hear appeals of any decision, determination or order from which the right of appeal has been granted by the Lancaster Municipal Code or other provision of law. On September 8, 2015, the City Council adopted Resolution No. 15-48, which did so designate a hearing officer to hear appeals of denials and revocations of business licenses. Since the adoption of Resolution No. 15-48, Title 5 has been amended by revising certain chapters and adding new chapters.

Staff recommends that City Council reaffirm its intent to designate an independent hearing officer to hear appeals of denials, suspensions, imposition of conditions, and revocations of all business licenses.

Attachment:

Resolution No.17-55

RESOLUTION NO. 17-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, DESIGNATING AN INDEPENDENT HEARING OFFICER TO HEAR APPEALS OF ALL BUSINESS LICENSE DENIALS, SUSPENSIONS, IMPOSITION OF CONDITIONS AND REVOCATIONS.

WHEREAS, several chapters in Title 5 of the Lancaster Municipal Code (“Business Licenses and Regulations”) set forth the provisions regulating the application, review, issuance, denial, renewal and revocation of various types business licenses, including but not limited to general business, taxi, tow and massage; and

WHEREAS, these chapters provide that an applicant or licensee may appeal the denial or revocation of any business license, however, the procedures for appeal vary among the chapters; and

WHEREAS, on June 24, 2014, the City Council adopted Ordinance No. 998, which, in part, added Section 2.44.010.B to the Lancaster Municipal Code, providing that the City Council may designate an independent hearing officer to hear appeals of any decision, determination or order from which the right of appeal has been granted by the Lancaster Municipal Code or other provision of law; and

WHEREAS, on September 8, 2015, the City Council adopted Resolution No. 15-48, which did so designate a hearing officer to hear appeals of denials and revocations of business licenses; and

WHEREAS, Title 5 has subsequently been amended by revising certain chapters and adding new chapters; and

WHEREAS, the City Council wishes to reaffirm its intent to designate an independent hearing officer to hear appeals of denials, suspensions, imposition of conditions and/or revocations of all business licenses.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. An independent hearing officer is designated to hear all appeals of the denial, suspension, imposition of conditions, and revocation of any business license issued by the City Manager in accordance with the provisions set forth in several chapters in Title 5 of the Lancaster Municipal Code.

PASSED, APPROVED, and ADOPTED this 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster, CA,
do hereby certify that this is a true and correct copy of the original Resolution No. 17-55, for
which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day
of _____, _____.

(seal)

STAFF REPORT
City of Lancaster

CC 4
11/14/17
MVB

Date: November 14, 2017

To: Mayor Parris and City Council Members

From: Jeff Hogan, Development Services Director

Subject: **Substitution of Subdivision Undertaking Agreement and Improvement Securities for Tract Map No. 54007 (Located on the Southwest corner of Avenue H-12 and Challenger Way)**

Recommendation:

Approve and accept substitution of the Subdivision Improvement and Lien Agreement submitted by Pelican Landing, LP, in place of the Subdivision Undertaking Agreement and securities submitted by First Pacifica Housing Corp., for Tract Map No. 54007, located on the southwest corner of Avenue H-12 and Challenger Way.

Fiscal Impact:

None.

Background:

On July 10, 2007, First Pacifica Housing Corp. entered into a Subdivision Undertaking Agreement and posted securities to complete the required improvements for Tract Map No. 54007. The subject property subsequently changed hands, and the new developer, Pelican Landing, LP, has requested that the City allow the substitution of the Subdivision Undertaking Agreement and securities so that the property can be developed.

Pelican Landing, LP, has submitted a Subdivision Improvement and Lien Agreement (Agreement) to guarantee and secure the performance of all the required public improvements. The lien will be in first position, and the Developer agrees to provide substitute security to the City prior to the commencement of the work of improvements. The Agreement satisfies the requirements of an undertaking agreement, and is an authorized form of security in accordance with the Subdivision Map Act and the City's Municipal Code.

Staff recommends that the Council approve the Subdivision Improvement and Lien Agreement from Pelican Landing, LP, approve the termination of the Subdivision Undertaking Agreement with First Pacifica Housing Corp., and release securities posted by First Pacifica Housing Corp.

JM:

Attachments:

Subdivision Improvement and Lien Agreement
Map

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Lancaster
Attn: City Engineering Division
44933 Fern Avenue
Lancaster, California 93534

This document is exempt from the payment of a recording
fee pursuant to Government Code Section 6103.

SUBDIVISION IMPROVEMENT AND LIEN AGREEMENT
(Cal. Gov't Code § 66499(a)(4))

THIS SUBDIVISION IMPROVEMENT AND LIEN AGREEMENT (this "Agreement") is made this 14th day of November, 2017 (the "Date of Agreement"), by and between the **CITY OF LANCASTER**, a California municipal corporation and charter city (the "City"), and **PELICAN LANDING, LP**, a California limited partnership (the "Developer").

R E C I T A L S

A. Developer is the owner of Tract Map 54007, including all real property associated therewith, in the City of Lancaster, California, which is legally described in Exhibit "A" attached hereto and incorporated herein (the "Property"). Developer purchased the Property from REGENCY HILLS HOMES X, LLC (the "Original Developer") on June 8, 2015.

B. The City approved Tentative Tract Map No. 54007 on January 21, 2003 (the "Tentative Map"), subject to certain conditions of approval as set forth in Resolution No. 03-01 (the "Conditions of Approval"), which conditions include construction of certain public improvements as set forth herein below.

C. The City approved a final subdivision map for the Property (the "Map") on July 10, 2007, and Original Developer recorded Map in the Recorder's Office of the County of Los Angeles on December 31, 2007, in Book 1345, Pages 56 to 58 of Maps.

D. In connection with the development of the Property, Developer is required to construct certain related public improvements (the "Improvements"), in accordance with, and as required by, the approved plans and specifications for said Improvements (the "Approved Plans"), which plans and specifications are now in the office of the City Engineer, and which are hereby referred to and incorporated herein as though set forth in full.

E. Developer has requested to enter into a new agreement with City regarding construction and completion of the Improvements. Developer has also requested that City accept a lien on the Property to secure completion of the Improvements, grading of the Property, and the setting of survey monuments for the Property.

F. City has agreed to accept a lien on the Property to secure performance of the Developer's obligation under this Agreement provided such lien is in first position. Developer agrees to present substitute security to the City prior to the commencement of the work of Improvements, and Developer agrees that the City may revert the property to acreage if the work of Improvements has not commenced within three years of the Date of Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and of the approval of the Map and of the acceptance of the dedications therein offered, the parties agree as follows:

1. Subdivision Development Lien. This Agreement shall constitute a lien (the "Subdivision Development Lien") on the Property in the amount of Two Million, Six Hundred Sixty-Six Thousand and Ninety Dollars (\$2,666,090.00). This Subdivision Development Lien is established pursuant to Government Code Section 66499(a)(4), to secure the performance of the Developer's obligations contained in this Agreement. The Subdivision Development Lien shall be in first position, and shall not be subordinate to any other lien or deed of trust on the Property.

To the extent that it is necessary for some other lienholder(s) to subordinate its/their lien(s) on the Property in order to ensure that the Subdivision Development Lien is in first position, the Developer shall obtain from said lienholder(s) a subordination of lien agreement in a form approved by the City in its sole discretion.

2. Construction and Installation of Improvements. Developer shall construct and install all Improvements as hereinafter provided:

2.1. Performance of Work. Developer, at its sole cost and expense, will complete the Improvements for the Property, including, without limitation, any and all grading of the lots, grading and paving of streets, construction of curbs and gutters, cross gutters and sidewalks, installation of drainage and sanitary sewerage facilities, provision of an underground utility and street lighting system, installation of street signs, parkway trees, a water system and all related facilities, to the extent required by the Approved Plans. Developer will perform all work and furnish all materials necessary, in the opinion of the City Engineer, to complete the Improvements in accordance with the Approved Plans or with any changes or modifications required or ordered by the City Engineer which, in his or her reasonable determination, are necessary or required to complete the Improvements. At all times until the Improvements have been completed and accepted by the City, Developer shall maintain the subdivision Improvements and adjacent portions of the Property clear of all debris, weeds, and other materials which inhibit the performance of the Improvements or become a public nuisance. Should the Developer fail to do so, the City may, at its option, upon seven (7) days advance written notice to Developer, perform the necessary weed abatement and debris removal, and Developer shall pay to the City the actual cost of such maintenance plus fifteen percent (15%).

2.2. Work, Places and Grades to be Fixed by Engineer. All of the work of Improvements is to be done at the places, with the materials, in the manner and at the grades shown in the Approved Plans and to the satisfaction of the City Engineer.

2.3. Repairs and Replacements. Developer shall replace, or have replaced, or repair, or have repaired, as the case may be, all survey monuments shown on the Map which have been damaged, disturbed, or obliterated by reason of any work done hereunder. In addition, Developer shall replace, or have replaced, repair, or have repaired, as the case may be, or pay to the owner, the entire cost of replacement or repairs of any and all property damaged or destroyed by reason of any work of Developer done hereunder. Any such repair or replacement pursuant to this Section 2.3 shall be to the satisfaction and subject to the approval of the Development Services Director.

2.4. Supervision by Developer. Developer shall personally supervise the work of Improvements, or have a competent foreman or superintendent on the work at all times during progress, with authority to act for Developer.

2.5. Inspection by City. Developer shall at all times maintain proper facilities and provide safe access for inspection by City, to all parts of the work, and to the shops wherein the work is in preparation.

2.6. Commencement of Work of Improvements. Developer shall commence the work of Improvements on or before the third (3rd) anniversary of the Date of Agreement, as hereinafter defined, (the "Commencement Date"), or within such further time as may be granted by the City Council in its sole discretion.

2.7. Completion of Work of Improvements. Developer shall complete all work of Improvements within three (3) years from the Commencement Date, or within such further time as may be granted by the City Council in its sole discretion. Work of Improvements will be deemed complete on the date that the City Council authorizes final acceptance of the Improvements.

3. Permits and Fees.

3.1. Permits: Compliance with Law. Developer shall, at Developer's expense, obtain all necessary permits and licenses for the construction of the Improvements, give all necessary notices and pay all fees and taxes required by law.

3.2. Cash Charges. Developer shall pay to the City in cash such subdivision fees ("Cash Charges") that have been established by ordinance or by the City Council in conferring approval or extension of time to said Subdivision.

4. Substitution of Security and Termination of the Subdivision Development Lien. Prior and as a condition precedent to the City issuing any building permit relative to the Property after the Date of Agreement, the Developer shall provide the City with substitute improvement security ("Substitute Security") consisting of security for the faithful performance of this Agreement, security for the payment of all persons performing labor and furnishing materials for the construction of the Improvements, security for grading the Property, and security for the setting of monuments shown on the Map. The City agrees to terminate the Subdivision Development Lien following receipt of acceptable Substitute Security. Substitute Security and termination of the Subdivision Development Lien shall be subject to the requirements set forth in this Section 4.

4.1. Security for Faithful Performance and for Payment of Labor and Materials.

This portion of the Substitute Security shall be executed by a surety acceptable to the City in its sole and absolute discretion and shall include the following: (1) security in an amount equal to at least one hundred percent (100%) of the estimated cost to complete the Improvements as security for the faithful performance of this Agreement and; (2) separate security in an amount equal to at least fifty percent (50%) of the estimated cost to complete the Improvements as security for the payment of all persons performing labor and furnishing materials to construct the Improvements pursuant to this Agreement. If at any time after deposit of this portion of the Substitute Security, the surety on said securities is no longer acceptable to the City, Developer agrees to replace said securities with an acceptable surety within ten (10) days after receiving notice that said surety is unacceptable.

4.2. Security for Grading.

This portion of the Substitute Security shall be executed by a surety acceptable to the City in its sole and absolute discretion for the security in an amount equal to at least one hundred percent (100%) of the estimated cost of all grading required under the Approved Plans.

4.3. Off-Site Impact Fees.

Nothing in this Agreement shall relieve Developer of its obligation to pay, prior to issuance of a building permit for each residential dwelling unit to be constructed on the Property, all City and other agency impact fees that are required to be paid as a condition of permit issuance under applicable law.

4.4. Monument Security.

Prior to commencement of any work on Property the Developer shall submit a new Monument Security which shall consist of a cash deposit or cashier's check in an amount determined by the City, as security for the faithful performance of all work of setting monuments for the entire Map and as security for the payment of the engineer(s) or surveyor(s) who set said monuments. If after depositing the Monument Security, Developer refuses or fails to complete the work of setting monuments, or if Developer refuses or fails to pay the engineer(s) or surveyor(s) for setting the monuments, the City shall have the right to expend all, or any portion of the Monument Security without notice to Developer, for purposes of completing the setting of monuments and/or paying said engineer(s) or surveyor(s).

4.5. Termination of Subdivision Development Lien.

No later than thirty (30) days following City's acceptance of the Substitute Security, the City shall cause to be duly executed and acknowledged by City and recorded with the office of the County Recorder of Los Angeles County, an instrument which shall terminate the Subdivision Development Lien created by this Agreement. Upon recording of said instrument, the Subdivision Development Lien shall be of no further force or effect. Notwithstanding the foregoing, the rest of this Agreement shall remain in full force and effect.

5. Warranty Period and Retention of Substitute Security.

5.1. Repair or Reconstruction of Defective Work.

If within a period of one (1) year after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirements of this Agreement or the specifications referred to herein, Developer shall, without delay and

without cost to City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the case require repairs or replacements to be made before Developer can be notified, City may, at its option, make the necessary repairs or replacements or perform the necessary work and Developer shall pay to the City the actual cost of such repairs plus fifteen percent (15%).

5.2. Retention of Security for Faithful Performance and Payment of Labor and Materials. The City shall retain at least ten percent (10%) of the security for faithful performance for a period of one (1) year after final acceptance of the work performed under this Agreement, to guarantee corrective work throughout the one (1) year warranty period described in Section 5.1 herein. The security for payment of labor and materials shall be retained by City for a period of ninety (90) days after final acceptance of the Improvements. Ninety (90) days after said final acceptance, the security for payment of labor and materials may be reduced to an amount equal to the amount of all claims, for which claims of lien have been recorded and notice given in writing to the City Council. The balance of the security for payment of labor and materials shall be retained until the settlement of all such claims and obligations for which security was given.

5.3. Retention of Monument Security. The Monument Security shall be retained by City until all of the following conditions have been met: (1) all work of setting monuments has been completed; (2) all work of setting monuments has been approved and accepted by City Council; and (3) City has received written verification from surveyor(s) or engineer(s) that he/she/they have been paid in full for such work.

6. Default by Developer. The following events shall constitute an “Event of Default”:

- a. Failure or delay by the Developer or any of Developer’s contractors, subcontractors, agents or employees to perform any term or provision of this Agreement; or
- b. The Developer’s refusal or failure to commence construction of the required grading and Improvements within the time specified herein, or any extensions thereof; or
- c. The Developer’s refusal or failure to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure completion of the required Improvements within the time specified herein, or any extensions thereof; or
- d. The Developer’s refusal or failure to complete the required Improvements within the time specified herein, or any extensions thereof; or
- e. The Developer’s refusal or failure to provide the City with acceptable Substitute Security in accordance with the provisions of this Agreement; or
- f. The Developer is adjudged bankrupt, the Developer makes a general assignment for the benefit of Developer’s creditors, or a receiver is appointed in the event of Developer’s insolvency.

7. Remedies.

7.1. Remedies Prior to Substitution of Security. Prior to the substitution of security and upon the occurrence of any Event of Default, the City may pursue any and all rights and remedies available at law or in equity, including without limitation:

- a. Any action at law or in equity as may be permitted by this Agreement in order to recover all damages necessary to compensate the City for the Developer's failure to perform its agreements, obligations or undertakings hereunder; or otherwise arising out of the events of default; or
- b. Reversion of the Property to acreage pursuant to Government Code Section 66499.11 *et seq.* and all other applicable law.

7.2. Remedies Following Substitution of Security. Following substitution of the security and upon the occurrence of any Event of Default, the City may pursue, in addition to those remedies set forth in Section 7.1 above, any and all rights and remedies available at law, in equity, or under the terms of this Agreement that the City has against the Developer and/or surety(ies) which issued the security for faithful performance and security for payment of labor and materials.

8. Performance by Surety.

8.1. Notice of Breach and Default. If any Event of Default occurs after substitution of security, the City shall serve written notice upon Developer and Developer's surety of the occurrence of an Event of Default, and Developer's breach of this Agreement.

8.2. Occurrence of Event of Default; Performance by Surety or City. In the event of any such notice of breach, Developer's surety shall have the duty to take over and complete the work and the Improvements herein specified, provided however, that if the surety, within thirty (30) days after the serving upon it of such notice of breach, does not give City written notice of its intention to take over the performance of said work and Improvements, or if surety does not commence performance thereof within thirty (30) days after notice to City of such election, City may take over the work and prosecute the same to completion, by contract or by any other method City may deem advisable, for the account and at the expense of the Developer, and Developer's surety shall be liable to City for any excess cost or damages occasioned City thereby; and, in such event, City, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefor.

9. Release of Original Developer's Security. Within thirty (30) days after recordation of this Agreement on the Property, City shall (a) release and return all improvement security deposited with City for the Tract by or on behalf of the Original Developer (collectively, the "Original Developer's Security"), including, without limitation, City of Lancaster Bond for Faithful Performance number CWS70394 in the penal sum of \$1,837,200.00, City of Lancaster Bond for Labor and Materials number CWS70394 in the penal sum of \$918,600.00, and Grading Permit Bond number CWS70368 in the penal sum of \$314,300.00 (all issued by Western Insurance Company) and (b) withdraw all claims against Western Insurance Company arising out of or with respect to the Original Developer's Security.

10. General Provisions.

10.1. Hold-Harmless Agreement. Developer hereby binds itself, its executors, administrators and assigns and agrees to indemnify, defend and hold City, its elective and appointive boards, commissions, officers, agents and employees, harmless from any liability for or claims for damage for personal injury, including death, as well as from claims for damage to property, both real and personal, which may arise from or be caused by Developer or Developer's contractors, subcontractors, agents or employees' operations under this Agreement. Developer agrees to, and shall, defend City and its elective and appointive boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damage caused, or alleged to have been caused, by reason of any of the aforesaid operations. It is understood that City does not, and shall not waive any right against Developer which it may have by reason of the aforesaid hold-harmless agreement, because of the acceptance by City, or the deposit with City by Developer, of the Substitute Security or Cash Charges. It is further understood that this Section shall apply to all damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this Section, regardless of whether the City has prepared, supplied or approved of, plans and/or specifications for the Subdivision.

10.2. Relationship between City and Developer. It is hereby acknowledged that the relationship between City and Developer is not that of a partnership or joint venture. Neither Developer nor any of the Developer's agents or contractors are or shall be considered to be agents of City in connection with the performance of Developer's obligations under this Agreement. Developer agrees to indemnify, hold harmless and defend City from any claim made against City arising from a claimed relationship of partnership or joint venture between City and Developer with respect to the performance of Developer's obligations under this Agreement.

10.3. Time of Essence - Extension. Time is of the essence with respect to the performance by Developer of each and every obligation and condition of this Agreement; provided, that in the event good cause is shown therefor, the City Council may extend the time for commencement of work of Improvements, and/or the time for completion of the Improvements hereunder. Any such extension may be granted without notice to any surety who issues security for faithful performance and/or security for payment of labor and materials pursuant to this Agreement, and extensions so granted shall not relieve the surety of its liability under the security to secure the faithful performance of this Agreement. The City Council shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.

10.4. Emergencies. If, in the judgment of the City Engineer, conditions exist that cause, or may cause, a hazard to life or property, the City Engineer may cause such conditions to be modified on an emergency basis without notice to the Developer. Neither the City Engineer, the City or its agents shall be held liable to the Developer for damages arising out of such emergency actions and to the extent that the actions taken are for the maintenance of safety to life and property that would not have existed had the Developer's operations not been in progress, the cost of such emergency measures so taken by the City shall be reimbursed to the City by the Developer.

10.5. Attorneys' Fees. In addition to any other amounts to be paid by Developer hereunder, Developer shall pay all costs and reasonable expenses and fees, including reasonable

attorneys' fees, incurred by the City in successfully enforcing the Subdivision Development Lien and/or Substitute Security furnished by Developer hereunder.

10.6. Notices. All notices and other communications hereunder shall be in writing and mailed via certified mail, postage prepaid, return receipt requested, or personally delivered to the appropriate party at the address set forth below or, as to any party, at any other address in the State of California as shall be designated by it in a written notice sent to the other party. Notices shall be effective when personally delivered or upon the third (3rd) day after deposit in the United States mail, registered or certified, postage prepaid, return receipt requested.

To City:

City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534-2461
Attn: City Engineer

To Developer:

Pelican Landing, LP
1000 Dove St., Ste. 300
Newport Beach, CA 92660
Attn: Nelson Chung
Telephone: 949-660-8988

10.7. Alteration of Agreement; No Effect on Substitute Security. Any addition, alterations, or modifications of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party. Developer hereby stipulates and agrees that no addition, alterations or modifications of or to this Agreement or to the plans and specifications referred to herein, including any extension of time within which the work hereunder may be completed, shall in any way affect its obligations on the Substitute Security to be furnished hereunder.

10.8. Surety to Include Issuer of Letter of Credit. The term surety as used herein shall include the issuer of any letter of credit which is acceptable to the City as Substitute Security under this Agreement.

10.9. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

10.10. Successors and Assigns. All of the terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the parties, their respective heirs, successors, representatives, assigns, officers, directors, agents, partners, servants, employees, and affiliated corporations or companies.

10.11. Headings. The headings contained in this Agreement have been inserted for convenience only and in no way define or limit the scope of interpretation of this Agreement.

10.12. No Waiver. A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

10.13. Corporate Authority. Each individual executing this Agreement on behalf of a public or private corporation, nonprofit corporation, partnership or other entity or organization, represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said corporation, partnership, entity, or organization and that this Agreement is binding upon same in accordance with its terms. Developer shall, at City's request, deliver a certified copy of its Board of Director's resolution or certificate authorizing or evidencing such execution.

10.14. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY:

CITY OF LANCASTER, a California municipal corporation and charter city

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

City Attorney

DEVELOPER:

PELICAN LANDING, LP., a California limited partnership

By: Nelson Chung & Associates, Inc., its General Partner

By: _____
Nelson Chung, President

[DEVELOPER'S SIGNATURE MUST BE ACKNOWLEDGED BY NOTARY

1345/57

SCALE 1"=100'

SHEETS 2 OF 3 SHEETS

TRACT NO. 54007

IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA

43 LOTS

ARROW ENGINEERING
BRIAN D. GLIDDEN, L.S. 7727

9.26 ACRES

LEGEND:

□ = FOUND MONUMENT AS NOTED.

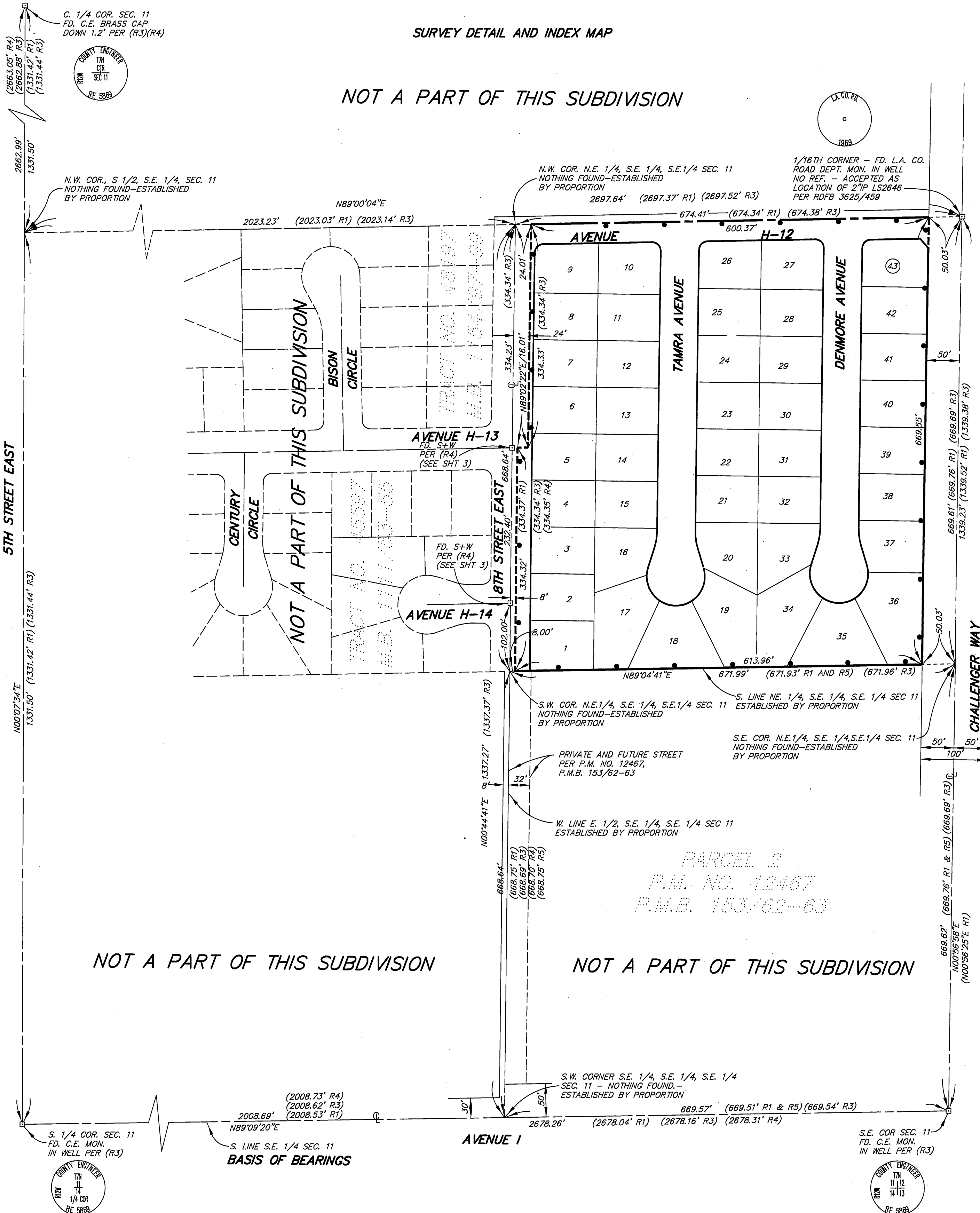
—•— INDICATES THE BOUNDARY OF THE
LAND BEING SUBDIVIDED BY THIS
MAP.

- (R1) = P.M. NO. 4317, P.M.B. 64-21
- (R2) = TRACT NO. 22809, M.B. 602/51-58
- (R3) = TRACT NO. 48197, M.B. 1154/97-99
- (R4) = TRACT NO. 45597, M.B. 1111/53-55
- (R5) = PARCEL MAP NO. 12467, P.M.B. 153/62-63

SCALE 1"=100'

SURVEY DETAIL AND INDEX MAP

NOT A PART OF THIS SUBDIVISION



NOT A PART OF THIS SUBDIVISION

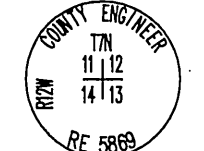
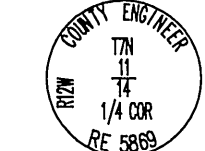
NOT A PART OF THIS SUBDIVISION

PARCEL 2
P.M. NO. 12467
P.M.B. 153/62-63

AVENUE I

S. 1/4 COR. SEC. 11
FD. C.E. MON.
IN WELL PER (R3)

S.E. COR. SEC. 11
FD. C.E. MON.
IN WELL PER (R3)



STAFF REPORT
City of Lancaster

CC 5
11/14/17
MVB

Date: November 14, 2017

To: Mayor Parris and City Council Members

From: Jeff Hogan, Development Services Director

Subject: **Acceptance of Public Works Construction Project No. 16-002
Lancaster Boulevard, 30th to 40th Street East**

Recommendation:

Accept the work constructed by R. C. Becker and Son, Inc., for Public Works Construction Project No. 16-002, Lancaster Boulevard, 30th to 40th Street East, and direct the City Clerk to file the Notice of Completion for the project. Retention on this project has been disbursed in accordance with California Public Contract Code.

Fiscal Impact:

This project was awarded in the amount of \$577,910.37. Change orders totaling \$45,699.97, with a reduced scope of work totaling (\$41,945.33), have brought the total contract cost to \$581,665.01. Sufficient funds were budgeted and are available in Capital Projects Budget Account No.'s 209-12ST033-924, 210-12ST033-924 and 232-12ST033-924. There are no associated annual maintenance costs for this project.

Background:

On July 11, 2017, Council awarded Public Works Construction Project No. 16-002, Lancaster Boulevard, 30th to 40th Street East, to R. C. Becker and Son, Inc. The project included pavement rehabilitation, restriping, repair of existing sidewalk and curb ramp modifications on Lancaster Boulevard between 30th and 40th Street East.

Work was performed in compliance with the City's 2014 ADA Transition Plan, which included reconstruction of one (1) curb ramp, installation of truncated domes on three (3) existing curb ramps, and 185 square feet of sidewalk at an approximate cost of \$5,281.03, \$2,623.02, and \$1,907.35.

Construction of the project has been completed to the satisfaction of the Development Services Director. The project was completed on October 4, 2017, which was within the time permitted in the contract. The construction quantities and the amount of payment have been approved by the Contractor and the Development Services Director.

The total contract cost is \$581,665.01.

MCL:tl

Attachments:

Notice of Completion

Vicinity Map

RECORDING REQUESTED BY:

CITY OF LANCASTER

WHEN RECORDED MAIL TO:

CITY OF LANCASTER
CITY CLERK DEPARTMENT
44933 N. FERN AVENUE
LANCASTER, CA 93534

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This document is exempt from payment of a recording fee pursuant to government Code Section 6103 and 27383.

**NOTICE OF COMPLETION OF
PUBLIC IMPROVEMENT AND WORK**

NOTICE IS HEREBY GIVEN:

1. The City of Lancaster, Los Angeles County, State of California, is the owner on file of a certain public improvement known as:

**PUBLIC WORKS CONSTRUCTION PROJECT NO. 16-002
LANCASTER BOULEVARD, 30TH TO 40TH STREET EAST**

2. The address of said owner is 44933 North Fern Avenue, Lancaster, California 93534.
3. The location of said public improvement is as follows: Lancaster Boulevard, 30th to 40th Street East, Lancaster. See Exhibit 'A' attached hereto and made a part hereof.
4. On August 15, 2017, a contract was entered into with R. C. Becker and Son, Inc., for the construction, installation, and completion of the above described public improvement and work, and filed for record in the office of the City Clerk of the City of Lancaster.
5. The work was completed on October 4, 2017, by said company according to the plans and specifications, and to the satisfaction of the Development Services Director, and was accepted by the City on November 14, 2017. That upon said contract Fidelity and Deposit Company of Maryland was surety for the bond given by the said company as required by law.

ATTEST:

DATED this ____ day of _____, 20__
CITY OF LANCASTER

BRITT AVRIT, MMC
City Clerk
City of Lancaster

BY: _____
JEFF HOGAN
Development Services Director

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

DATE

SIGNATURE

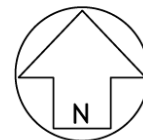
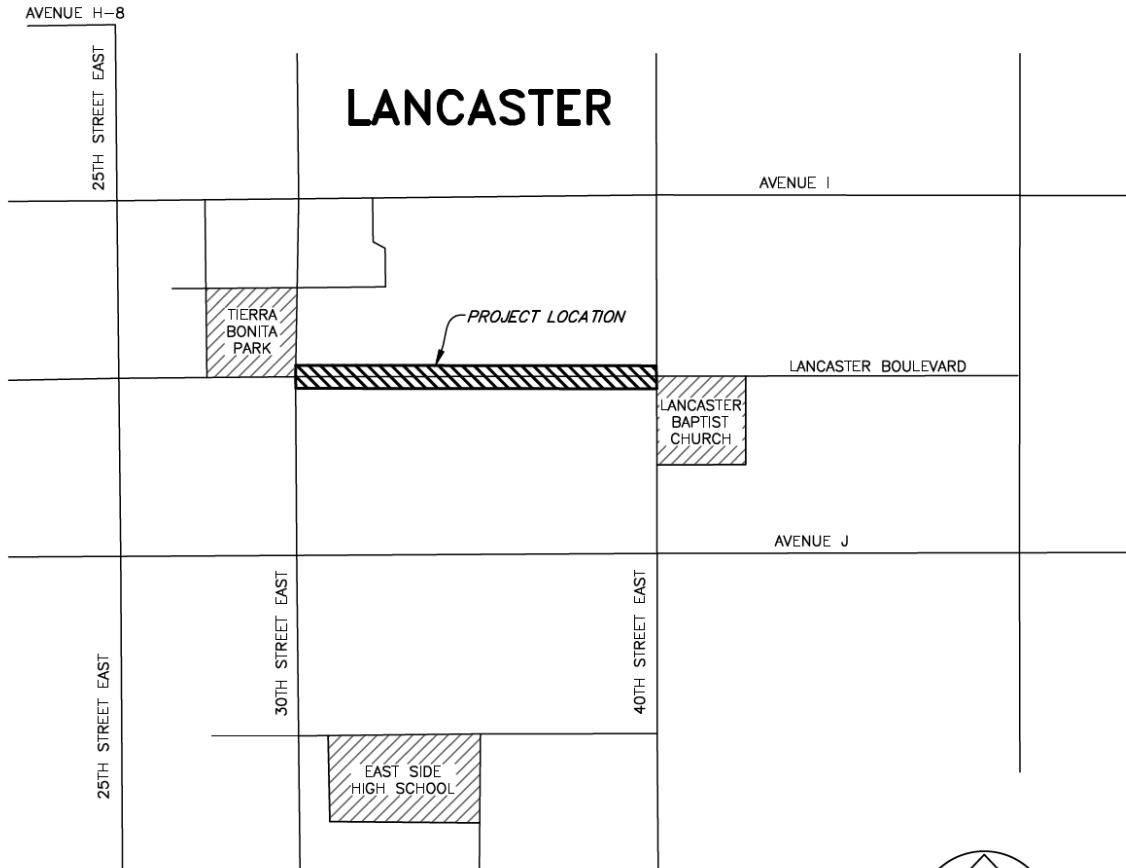
PLACE OF EXECUTION

Exhibit "A"

PUBLIC WORKS CONSTRUCTION PROJECT NO. 16-002

LANCASTER BOULEVARD, 30TH TO 40TH STREET EAST

IMPROVEMENTS



VICINITY MAP

N.T.S.

STAFF REPORT
City of Lancaster

CC 6
11/14/17
MVB

Date: November 14, 2017

To: Mayor Parris and City Council Members

From: Britt Avrit, MMC, City Clerk

Subject: **Consideration of adoption of Ordinance No. 1037**

Recommendation:

Adopt **Ordinance No. 1037**, amending Title 16 (Subdivisions) of the Lancaster Municipal Code by adding Chapter 16.24 Article XI (Covenant of Easement), relating to the creation of easements by covenant.

Fiscal Impact:

None.

Background:

In certain situations, the subdivision or merging of parcels of land or the vacation of streets can create landlocked parcels or otherwise inhibit the rights of property owners from the full enjoyment of the use of their land and attached rights. In these situations, an easement can protect the rights of future property owners. However, when the properties in question are owned by the same person or entity, an easement cannot be created, because any restrictions placed by the current owner on himself or herself are not binding against any future owner of that property. Therefore, access to the property or other enjoyment of the property could be inhibited by a future owner of one of the separated properties in question.

Government Code sections 65870-65875 create an exception to this general rule, and allow creation of easements on properties held by a common owner, when necessary, to serve the limited purposes of parking, ingress, egress, emergency access, light and air access, landscaping, or open space purposes. However, before the City can require such an easement, the Government Code requires the City to pass a local enabling ordinance that allows creation of easements for properties held in common ownership. Although this situation is infrequent in Lancaster, passage of this ordinance will solve a significant City and developer problem of trying to satisfy requirements to ensure that these easements are permanent. This ordinance will help eliminate delay in development projects by simplifying the legal requirements for property owners in this situation, and enable the City and property owners to ensure that necessary easements exist in perpetuity.

At the October 24, 2017 City Council meeting, the City Council approved the introduction of Ordinance No. 1037 by the following vote:

AYES: Council Members Malhi, Mann, Underwood-Jacobs, Vice Mayor Crist, Mayor Parris
NOES: None
ABSTAIN: None
ABSENT: None

Attachment:
Ordinance No. 1037

ORDINANCE NO. 1037

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER AMENDING TITLE 16 (SUBDIVISIONS) OF THE LANCASTER MUNICIPAL CODE BY ADDING CHAPTER 16.24 ARTICLE XI (COVENANT OF EASEMENT), RELATING TO THE CREATION OF EASEMENTS BY COVENANT

WHEREAS, the City Council of the City of Lancaster regulates the orderly subdivision and development of land; and

WHEREAS, the City Council may require a property owner holding property in common to execute an easement to protect and provide for parking; ingress, egress, or emergency access; light and/or air access; signage; landscaping; and/or open space purposes for future property owners; and

WHEREAS, under California law, property owners holding property in common may not create enforceable easements against their own property; and

WHEREAS, Government Code sections 65870-65875 create an exception to this general rule and allow creation of easements on properties held by a common owner whenever the local agency passes a local enabling ordinance that allows creation of easements for properties held in common ownership by covenant;

THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, DOES HEREBY ORDAIN, AS FOLLOWS:

SECTION 1. Findings. The City Council of the City of Lancaster hereby finds and determines that the above recitals are true and correct.

SECTION 2. Chapter 16.24 Article XI of the Lancaster Municipal Code is hereby added as contained in the attached Exhibit "A".

SECTION 3. That the City Clerk shall certify to the passage of this Ordinance and will see that it is published and posted in the manner required by law.

I, Britt Avrit, MMC, City Clerk of the City of Lancaster, do hereby certify that the foregoing ordinance was regularly introduced and placed upon its first reading on the 24th day of October, 2017, and placed upon its second reading and adoption at a regular meeting of the City Council on the 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss
CITY OF LANCASTER)

CERTIFICATION OF ORDINANCE
CITY COUNCIL

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Ordinance No. 1037, for which the original is on file in my office.

WITNESS MY HAND AND SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

EXHIBIT “A”

Chapter 16.24 - IMPROVEMENTS, DEDICATIONS AND RESERVATIONS

Article XI. - Covenant of Easement

16.24.370 - In General.

The City may require certain easements to be recorded over properties currently held in common ownership for the benefit of future owners. This chapter allows for the recording of a covenant by the current owner to dedicate easements with the future transfer of said property. This chapter shall apply to all development projects approved by the City, its Council, Planning Commission, officers, and employees and acts independently from any other authority or method for the City to require an easement. The provisions of this chapter shall only apply when the covenant of easement is for parking; ingress, egress, or emergency access; light and/or air access; signage; landscaping; and/or open space purposes. The provisions of this chapter shall only apply when all the real property benefited or burdened by said covenant is in common ownership at the time of recording the covenant of easement. This chapter is adopted pursuant to Government Code Sections 65870 et seq.

16.24.380 - Procedures.

Whenever the approving authority determines, independently or based upon the recommendation of City Staff, that a covenant of easement is needed for one (1) or more of the purposes identified in Section 16.24.370 (General), the approval, permit, or designation shall not become effective unless or until said covenant of easement is recorded. Whenever a covenant of easement is required herein, the covenant shall either be in a form and manner approved by the City Attorney based upon the advice of the City Engineer and Director, executable by the City Engineer on behalf of the City; or be prepared by the City Attorney, executable by the City Engineer on behalf of the City. Whenever the City Attorney prepares a covenant of easement, the City shall be entitled to reimbursement from the applicant for the costs associated therewith.

16.24.390 - Contents.

A covenant of easement prepared pursuant to this chapter shall contain, at a minimum, the following elements:

- A. Identification of the owner and/or owners of the real property to be burdened, including a statement that both the burdened and benefited parcels are under common ownership;
- B. A consent to said covenant of easement and the recording thereof by the record owner and/or owners to the covenant;
- C. Identification of the real property to be benefited by said covenant, including a legal description of the same;

- D. A statement that said covenant shall act as an easement pursuant to Chapter 3 (commencing with Section 801) of Title 2 of Part 2 of Division 2 of the California Civil Code, including an express statement that said easement and covenant of easement shall not merge into any other interest in real property pursuant to California Government Code Section 65 871(b);
- E. State that said covenant of easement shall run with the land, be binding upon all successors in interest to the burdened real property, inure to all successors in interest to the real property benefited, and shall be subject to California Civil Code Section 1104;
- F. Identify the approval, permit, or designation granted, which required the covenant;
- G. A statement identifying the code section, which sets forth the procedure for release of the covenant;
- H. Identification of the City as a third party beneficiary;
- I. Provisions concerning maintenance and the scope of use of the easement; and
- J. An appropriate section for execution of said covenant of easement by the record owner, or owners of the subject real property.

16.24.390 - Release of Covenant.

Any person may request that the City make a determination as to whether or not the restriction imposed by the covenant of easement is still necessary to achieve the City's land use goals. The determination of the need for the covenant of easement shall be made by the approving authority that took final action on the original application. A person shall be entitled to only one (1) such determination in any twelve (12) month period as indicated. To obtain a determination mentioned above, a "request for determination" application shall be made and filed with the City Clerk. Said application shall include a fee as set by resolution of the Council. Upon receipt of a completed application, the City Clerk shall set the matter for public hearing before the approving authority and cause notice thereof to be given pursuant to Government Code Section 65090, and a copy of the notice shall be mailed to the record property owner or owners, as shown on the Tax Assessor's latest equalized roll if other than the applicant, and to all record property owners within one thousand (1,000) feet of the property.

At the conclusion of the public hearing, the approving authority shall determine and make a finding, based upon substantial evidence in the record, whether or not the restriction imposed by the covenant of easement is still necessary to achieve the land use goals of the City. If the approving authority determines that the covenant for easement is still required, the approving authority shall, by resolution, determine that the need still exists. If the approving authority finds that the covenant of easement is no longer necessary, the approving authority shall, by resolution, make the determination and finding and direct the City Attorney to prepare a release thereof and transmit the same to the City Clerk for recording. The approving authority's determination shall be final and conclusive.

STAFF REPORT
City of Lancaster
Lancaster Housing Authority

Date: November 14, 2017

To: Mayor/Chair Parris and City Council/Authority Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Disposition and Development Agreement Between the Lancaster Housing Authority and InSite Development, LLC for Property Located at Future 32nd Street West and West Avenue I**

JPH 1
11/14/17
MVB

City Council Recommendation:

Adopt **Resolution No. 17-56**, approving the Disposition and Development Agreement by and between the Lancaster Housing Authority and InSite Development, LLC a California Limited Liability Company for property located at future 32nd Street West and West Avenue I.

Lancaster Housing Authority Recommendation:

Adopt **Resolution No. HA 01-17**, approving the Disposition and Development Agreement by and between the Lancaster Housing Authority and InSite Development, LLC a California Limited Liability Company for property located at future 32nd Street West and West Avenue I.

Fiscal Impact:

Pursuant to the terms of the Development and Disposition agreement, all building and impact fees, currently estimated at \$597,947, shall be waived for this project.

Background:

On February 9, 2016, the Los Angeles Chief Executive Office presented to the Board of Supervisors for approval “The Los Angeles County Homeless Initiative, with Approved Strategies to Combat Homelessness”.

“The Los Angeles County Homeless Initiative”, is comprised of six detailed strategies outlining the recommendation, lead agency, description, populations targeted, potential performance metrics, funding and connections to cities. Following are the six strategies:

- Prevent Homelessness,
- Create a Coordinated System,
- Increase Income,
- Provide Case Management and Services,
- Subsidize Housing and,
- Increase Affordable housing and housing for the homeless.

Pursuant to the Community Redevelopment Law and Housing Authorities Law, housing authorities throughout the State of California are required to provide affordable housing to families of various ages and income levels within in their respective communities.

The Lancaster Housing Authority (“Authority”), in partnership with InSite Development LLC (“Developer”), desires to address the objectives of reducing homelessness and providing affordable housing in the City of Lancaster. For housing authorities to provide affordable housing and reduce homelessness, they must persuade developers to participate in developing affordable housing by offering subsidies and/or incentives. Taking into consideration the extraordinary use and/or quality restrictions imposed on these types of projects, developers must receive subsidies and/or incentives to complete and operate a quality affordable housing project. Therefore, the proposed Disposition and Development Agreement (“Agreement”) between Authority and Developer provides that Authority shall sell certain real property located at future 32nd Street West and West Avenue I (“Property”) to Developer for one dollar, which Authority believes constitutes the fair reuse value of the Property as restricted by the Agreement, and the City shall waive all building and impact fees for the Project (as defined below). Authority’s sale of the Property to Developer for the fair reuse value and the City’s waiver of all building and impact fees is essential to the Project’s feasibility.

The proposed Agreement provides Developer shall construct and operate (or cause operation of) the following (collectively referred to as “Project”):

- 51 permanent affordable housing units,
- 100 temporary mini housing units,
- 5 shelters housing 20 people each,
- 4,000 square feet for on-site service providers,
- 4,500 square feet for on-site medical; and
- 18,000 square feet for other services for the homeless individuals and families.

Developer will own and operate the affordable multifamily housing units. Fifty (50) of the fifty-one (51) units will be available for homeless persons or families who have achieved independence from being homeless. The Project is designed to provide the tenants and homeless persons or families on-site support services. Ocean Park Community Center “OPCC”, a non-profit corporation, will lease the auxiliary buildings from Developer and will manage, operate and provide support services to homeless persons or families, and provide support services to the tenants. The goal of OPCC is to assist the tenants to retain housing and to maximize his or her ability to live independently and assist the homeless persons and families to become independent of being homeless.

Staff strongly believes that there is a definite need in the community for the services that OPCC will provide and considers the sale of the Property a worthy contribution in assisting the community with the growing need of homeless persons and families. Staff also considers the construction of the multi-family housing project and homeless facility an excellent use of the land, in harmony with the surrounding uses as outlined in the Housing Element of the General Plan. Therefore, staff is recommending that the Authority and City Council approve the Agreement.

Attachments:

Site Map

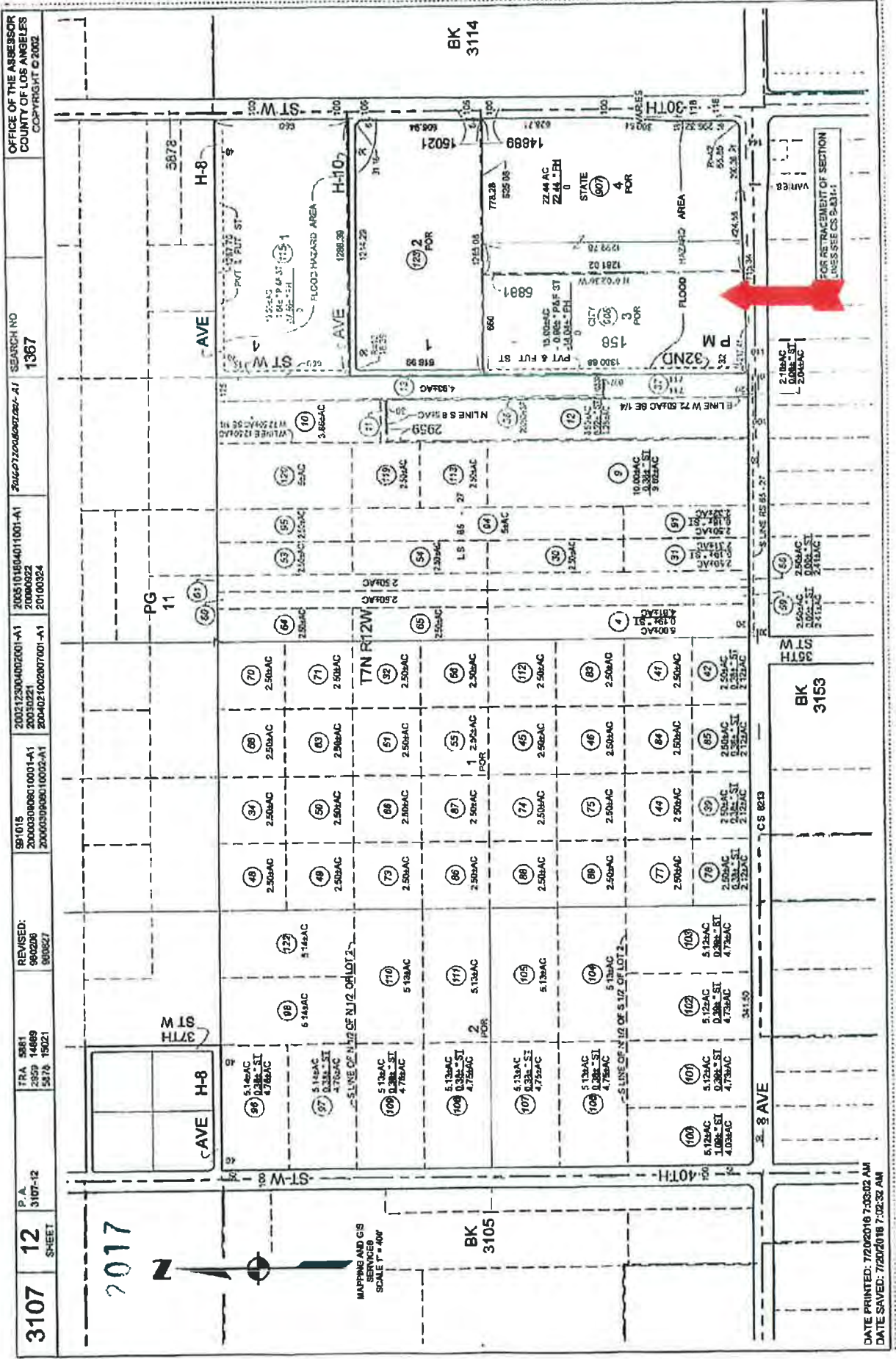
33433 Report

Resolution No. 17-56

Resolution No. HA 01-17

Disposition and Development Agreement

Site Plan



3107 12 3107-12 SHEET

REVISIONS:

591615	2002123004002001-A1	2005101604011001-A1	2016072006020202-A1
2000030908010001-A1	200310221	200000922	SEARCH NO
2000030908010002-A1	2004021002007001-A1	20100324	1367
			OFFICE OF THE ASSESSOR
			COUNTY OF LOS ANGELES
			COPYRIGHT © 2002

DATE PRINTED: 7/20/2016 7:53:02 AM
 DATE SAVED: 7/20/2016 7:52:32 AM

**INFORMATION SUMMARY (33433 REPORT)
FOR THE
DISPOSITION AND DEVELOPMENT AGREEMENT
WITH
INSITE DEVELOPMENT, LLC**

This summary is prepared pursuant to Section 33433 of the California Health and Safety Code.

1. Background:

The Redevelopment Agency (the “Agency”) of the City of Lancaster acquired an approximately 40 acre parcel of real property located within the City of Lancaster (the “City”), generally known as the “Veterans Home Site”. The Agency disposed of an approximately 22.44 acre portion of the Veterans Home Site pursuant to an Agreement by and among the State of California, and the Agency (“Veterans Home Agreement”). Pursuant to the Veterans Home Agreement, the State of California constructed the William J. “Pete” Knight Veterans Home of Lancaster, California, a 60-bed, long-term residential care facility, also known as “assisted living. The disposition of the 22.44 acres to the State of California pursuant to the Veterans Home Agreement left an approximately 14.18 acre remnant parcel (the “Remnant Parcel”) of real property adjacent to the William J. “Pete” Knight Veterans Home of Lancaster.

2. Cost of Project to the Authority:

The Disposition and Development Agreement (the “DDA”) between the Lancaster Housing Authority (the “Authority”) and InSite Development, LLC (“InSite”), requires the Authority to transfer the Remnant Parcel to InSite and requires InSite to construct 51 permanent affordable housing units, 100 temporary mini housing units, 5 shelters housing 20 people each, 4,000 square feet for on-site service providers, 4,500 square feet for on-site medical, and 18,000 square feet for other services for homeless individuals, and families. The cost of the Remnant Parcel to the Authority is determined based on the following information:

- a. Acquisition Cost: On February 7, 1994, the Agency acquired approximately 40 acres of real property for development and use as a veteran’s home. The acquisition price was \$1,900,000. The total cost to the Agency for the disposition of the approximately 22.44 acre portion of real property for the veteran’s home developed pursuant to the Veterans Home Agreement was approximately \$981,497. Therefore, the acquisition price for the Remnant Parcel was \$834,100.
- b. Clearance Costs: None
- c. Relocation Costs: None

d. Improvement Costs: None

e. Finance Costs: None

3. Estimated value of interest to be conveyed by the Authority to InSite determined at highest and best use permitted by the Redevelopment Plan:

The estimated value of the interest to be conveyed at its “highest and best use” is \$1,850,000, which is based on an independent appraisal.

4. The estimated value of interest to be conveyed at the use and with the conditions, covenants and restrictions required by the DDA:

The analysis of the “estimated value of interest” must take into account the fair market value of the property, the Authority’s obligation to assist with a growing need within the community to assist homeless persons and families, to provide affordable housing to homeless persons and families of various ages and income levels within in the community, and DDA’s condition that all of the units through deed restrictions will remain affordable for fifty-five years. The Authority will transfer the Remnant Parcel to InSite with restrictions that the homeless facility be used, operated and maintained as a homeless facility, and the housing units will remain affordable for fifty-five years. The resulting estimated value of the interest being conveyed is \$1.00.

5. The acquisition price which InSite will be required to pay during the terms of the DDA:

InSite will receive title to the Remnant Parcel subject to the terms and conditions of and restrictions imposed by the DDA. As long as InSite satisfies such terms, conditions and restrictions—*i.e.*, the Remnant Parcel is developed and operated as a homeless facility for homeless persons and families, and the housing remains affordable for fifty-five years—the acquisition price is \$1.00.

The disposition of the Remnant Parcel will help to eliminate blight by promoting development within the Project Area 6 Redevelopment Project Area, by providing housing as required to satisfy the needs and desires of the various age, income and ethnic groups of the community. The United States did not always have such a dire lack of affordable housing. The 1970's into the 1980's saw drastic cuts to Federal affordable housing programs. Today, there is much focus on creating permanent supportive housing for people who experience chronic homelessness due to disability or health issues. Housing represents the fundamental base-solution to the problem of homelessness. The lack of affordable housing and the limited scale of housing assistance programs contribute to the current housing crisis and to homelessness. This deficit of affordable housing has led to high rent burdens, overcrowding, and substandard housing, which has not only forced many people to become at risk of becoming homeless but has also put a growing number of people at risk of becoming

homeless. InSite will construct, own and operate the affordable multifamily housing units. Fifty (50) of the fifty-one (51) units will be available for homeless persons or families who have achieved independence from being homeless. The project is designed to provide the tenants and homeless persons or families on-site support services.

Permanent Supportive Housing is a type of subsidized housing intended for people with disabilities who have experienced or are at risk of homelessness. It combines an affordable place to live with voluntary social services, usually available on-site and provided by case management professionals. This kind of housing has proven effective for those who have difficulty living independently and are likely to fall back into homelessness without extra support.

In-Site will construct the homeless facility and OPCC will provide on-site support services for the homeless facility as well as the affordable housing as follows:

- **Life Skills Education:** OPCC staff will provide comprehensive services including money management and socialization. Tenants will be provided the necessary life skills needed to pay rent on time, be a good neighbor, and provide proper care for their unit, which are the common requirements for all rental housing and increases chances of successful tenancy.
- **Case Management:** Both prior to and after placement, tenants are assessed at regular intervals for their level of care needs using various psychosocial assessment tools. These assessments will determine the frequency of visits each tenant will need as well as provide baseline data to monitor stability. Tenants that are initially placed into permanent housing may need to be visited three to four times a week by their case manager. As clients become more stable, the frequency of visits may decrease if appropriate. In order to keep tenants housed who remain high risk, case management services will remain intensive. In addition to helping clients with day-to-day needs and providing linkages to other forms of care, case managers will help with logistical challenges such as security deposits, furnishings, and assistance with move in funds.
- **Individualized Service Plan:** Case managers will work with clients to assess which services will benefit the resident and to recommend participation. Case managers will help each resident set goals specific to their situation, making them aware of all that is available to them and creating a plan to achieve those goals. Each participant will agree to receive supportive services based on their individualized service needs as outlined in individualized service plans; in this way, tenants can successful remain in housing.
- **Mental Health Care:** Comprehensive mental health care shall be provided through OPCC's onsite clinician. These individuals conduct assessments of all clients and provide individual psychotherapy when necessary. A number of wellness groups on specific topics will be facilitated on-site. OPCC mental staff will be available for crisis intervention, as well as consultation around client issues to non-clinical staff of the program. In the first weeks and months after a client moves into permanent housing, they will benefit from increased contact with the case manager, clinician, and other care providers through home visits in an effort to provide adequate assistance needed to make the transition to more independence.

- **Substance Use Services:** OPCC employs a harm reduction approach for clients living with substance addiction, wherein the agency continues to work with clients while assisting them to receive treatment. OPCC's wellness program provides an array of groups and workshops designed to give clients the skills they need to begin to acknowledge their substance addiction, and over time, to begin steps toward decreasing their substance use. Referrals to residential treatment facilities are available when necessary.
- **Housing Outplacement:** OPCC will research and provide linkages and advocacy for potential outplacements should they become an appropriate alternative for a resident because they either require a higher level of care (*i.e.*, residential treatment facility or hospital) or because permanent supportive housing is no longer required (*i.e.*, other affordable housing or market rate housing more attractive to or more suitable for the individual becomes available). Such considerations will be a part of routine case management.
- **Medication Management:** Case managers are trained to provide assistance with maintaining a medication regimen and will coordinate with a medical team to ensure a stable routine, as well as ensuring the patient understands the importance of their medication and any side effects.
- **Peer Advocate Services:** OPCC uses peer support to enhance services and more effectively engage the tenants within specific programs. OPCC has a strong commitment to support positive peer influences. Visits from alumni may be part of the monthly programming coordinated by the Resident Service Coordinator. Peer support is necessary as shared experiences and understanding provide individuals with support and advocacy.
- **Benefits Assistance:** Each resident will be assessed for an eligibility for benefits which they may not yet be receiving. Tenants will be re-assessed regularly for eligibility in benefits programs. All potentially eligible tenants receive hands on assistance with enrollment, such as obtaining and compiling documents, and with transportation to appointments as needed.
- **Social and Recreational Activities:** All housed participants are strongly encouraged to attend monthly community meetings where speakers present on a variety of tenant education topics. To encourage participation, raffles will also be held for household items. In addition to the community meetings, case managers will work to integrate tenants into the communities for which they are now housed by providing linkages to meaningful productive activities within their areas. OPCC will also leverage its large volunteer network for groups to facilitate activities such as bingo and barbecues on-site.
- **Attendant Care:** OPCC will work with In Home Supportive Services (IHSS) so that residents who may need it will receive appropriate care and remain in their own homes. As a part of case management, the OPCC will connect residents with higher levels of care such as this when necessary.
- **Representative Payee -** OPCC will provide a .2 FTE representative payee on-site. OPCC has extensive experience acting in this role, including both interfacing with the Social Security Administration and in helping high acuity clients to manage their money effectively.

The affordable housing and homeless facility for homeless persons and families encourages and fosters the economic revitalization of the Project Area by protecting and promoting the sound development and redevelopment of the Project Area and by re-planning, redesigning, or developing portions of the Project Area which are stagnate or improperly utilized because of the lack of adequate utilities and because of other causes.

6. Explanation as to the reason why the sale of the Remnant Parcel will assist in the elimination of blight:

In connection with the adoption of the Redevelopment Plan for Redevelopment Project Area No. 6 in 1989, based on evidence presented at the public hearing, the City Council concluded:

A. The Project Area is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the Community Redevelopment Law of the State of California and specifically that the Project Area is characterized by properties which suffer from economic dislocation, deterioration or disuse because of one or more of the following factors:

- 1) deficiencies, deterioration and dilapidation;
- 2) defective design and character of physical construction;
- 3) faulty interior arrangement and exterior spacing;
- 4) age and obsolescence; and
- 5) mixed and incompatible buildings and land uses;

The Project Area is further characterized by properties which suffer from economic dislocation, deterioration, or disuse because of one or more of the following factors:

- a) the existence of structural blight within the Project Area constitutes a social liability upon the community because of the social problems associated with living or working in deficient structures;
- b) the overall lack of a positive aesthetic appearance, adequate parking surfaces and proper storage facilities contribute to the blighted appearance in many of the Project Area commercial properties;
- c) large underutilized parcels generate excessive dust conditions which creates hazards to motorists, prevents neighboring residents from fully utilizing their outdoor facilities and leads to soil erosion conditions;

d) residential structures throughout the Project Area are characterized by advanced stages of deterioration due to the cumulative effects of age and deferred maintenance; and

e) conflicting mixture of land uses is detrimental to a healthful living environment and may result in declining property values;

These conditions cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

B. The City Council also declared that the purpose and intent of the City Council with respect to adopting the Redevelopment Plan were:

1) To eliminate the conditions of blight existing in the Project Area.

2) To prevent the recurrence of blighting conditions within the Project Area.

3) To provide for participation by owners and tenants and reentry preferences to persons engaged in business within the Project Area to participate in the redevelopment of the Project Area; to encourage and ensure the development of the Project Area in the manner set forth in the proposed Redevelopment Plan; and to provide for the relocation of any residents, if any, displaced by the effectuation of the proposed Redevelopment Plan.

4) To improve and construct or provide for the construction of public facilities, roads, and other public improvements and to improve the quality of the environment in the Project Area for the benefit of the Project Area and the general public as a whole.

5) To encourage and foster the economic revitalization of the Project Area by protecting and promoting the sound development and redevelopment of the Project Area and by re-planning, redesigning, or developing portions of the Project Area which are stagnate or improperly utilized because of the lack of adequate utilities and because of other causes.

6) To provide housing as required to satisfy the needs and desires of the various age, income and ethnic groups of the community.

REASONS FOR SELECTING THE PROJECT AREA

The Report to the City Council in connection with the adoption of the Redevelopment Plan sets forth the reasons for selection of the Project Area as follows:

“For many years the citizens and governmental officials of the City of Lancaster have been aware of the adverse conditions within the Project Area boundaries. The conditions in this Area have contributed to the physical deterioration of structures and infrastructure both within and surrounding the Project Area, a lack of proper utilization of the Area, a decline in the economic viability of the Area, impaired investments, and social and economic maladjustment. The result has been a serious physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.”

“The redevelopment of the Project Area would attain the purpose of Community Redevelopment Law of the State of California. The Area is in need of, and particularly suitable for, redevelopment under the provisions of the California Redevelopment statutes. Most of the parcels throughout the Project Area exhibit a complete or growing lack of economically productive utilization. Some of the properties exhibit structures that have become dilapidated and obsolescent. The age, obsolescence and ensuing deterioration of structures and the economic underutilization of the Project Area is a serious physical and economic liability requiring redevelopment. The proposed Project will assist in the redevelopment of these underutilized and deficient properties.”

“The selection of the boundaries of this Redevelopment Project Area was guided by City staff, the Lancaster General Plan, the Lancaster Redevelopment Agency, specific examples of structural and non-structural blight as discussed in detail in this Report, and the following facts and principles:

“A. The desire to revitalize and upgrade the existing commercial areas within the Project Area in order to increase sales and business tax revenues, provide adequate roadways, reduce the hazard of flooding, provide adequate parking, reduce the cost of providing City services, create jobs for Project Area residents, assure social and economic stability, and promote aesthetic and environmental actions and improvements that will make the City of Lancaster a better place to live, work, shop and enjoy leisure time.”

“B. The purposes of the California Community Redevelopment Law would be achieved by the project through the removal or rehabilitation of physically obsolete or substandard structures and other blighting influences; the elimination of nonproductive and/or nonconforming land uses; the rehabilitation, with owner participation, of existing commercial buildings; the installation, construction, reconstruction, redesign or reuse of streets, utilities, curbs, gutters, sidewalks and other associated public improvements as permitted by the Lancaster General Plan and Zoning Ordinance; the construction and/or reconstruction of various flood control and drainage facilities; the replacement, installation and improvement of domestic sewage distribution and treatment facilities to reduce public health and safety hazards; the assemblage of land into parcels suitable for modern integrated development with improved pedestrian and vehicular circulation; the improvement and provision of adequate recreation facilities; and the development and

redevelopment of the Project Area in a manner consistent with the policies and goals of the Lancaster General Plan.”

“The redevelopment of the Project Area would implement the California Community Redevelopment Law. The basis for implementing the Redevelopment Law can be stated as follows:

“1) The City has a need to provide and make improvements to certain public facilities and services in the Project Area in order to reduce the continuing process of deterioration which cannot be provided by private or governmental action without redevelopment.”

“2) Redevelopment can provide a means to assist existing owners in upgrading and improving their property.”

“3) The Redevelopment Project provides the means of eliminating or rehabilitating deteriorating commercial, industrial and residential structures and other blighting influences which constitute poor environments in which to live, work, shop and recreate.”

“4) The commercial areas of the Project Area need revitalization and upgrading. The Redevelopment Project can assist the City in attaining the market potential for this area, based on market demands.”

“5) The Project Area is currently characterized by economic blight caused by properties which suffer from an economic disuse due to impaired investments, properties which suffer from irregular shape and inadequate size for proper use and the existence of inadequate public facilities, improvements and utilities.”

“6) Portions of the Project Area currently contain characteristics of physical blight caused by buildings which exhibit advanced stages of deterioration due to age and obsolescence.”

“7) These deficient conditions dominate and injuriously affect the Project Area such that the Project Area is deficient as a whole.”

“8) The blighted conditions constitute a serious physical, social, and economic burden on the City.”

“9) The City has the desire to improve the Project Area in order that the existing deficient conditions which constitute physical, social and economic liabilities can be reduced or eliminated in the interest of the health, safety, and general welfare of the people of the City of Lancaster.”

“10) The blighted conditions which exist in the Project Area are a hindrance to the proper development of the City and cannot be eliminated or improved without public assistance.”

“11) There is, generally, poor visual quality to much of the Project Area including:

“a) Inadequate landscaping, buffering and setbacks from public rights-of-way;

“b) Inadequately maintained buildings;

“c) Unsightly overhead utility lines and poles;

“d) Poorly maintained vacant lots;

“e) Rights-of-way lacking landscaping; and

“f) Public improvements in need of extensive repairs and/or modifications.”

“C. The redevelopment of the Project Area may include, but will not be limited to, the actions outlined below. The Agency proposes to eliminate and prevent the spread of blight within the Project Area by the following actions:

“1) Installation, construction, reconstruction, redesign, or reuse of streets, utilities, curbs, gutters, sidewalks, handicap ramps, and other public improvements as permitted in accordance with the Lancaster General Plan and the City's Zoning Ordinance.”

“2) Construction and/or reconstruction of various flood control and storm drainage facilities.”

“3) Provision and/or upgrading of traffic signals, channelization, lighting and signing of various intersections, and correction of other existing circulation deficiencies within the Project Area.”

“4) Completion of various water system projects including the replacement, construction, and improvement of water lines, fire hydrants, water storage and treatment facilities, and water meters in order to provide adequate fire flows and domestic water supplies.”

“5) Replacement, installation and improvement of domestic sewage collection and treatment facilities to reduce public health and safety hazards.”

“6) Undergrounding of utilities in the Project Area.”

“7) Improvement and development of recreational facilities, parks and a community center.”

“8) Construction and improvement of community facilities including police, fire and library facilities.”

“9) Construction and improvement of vehicle parking facilities.”

“10) Improvement, as needed, of various utility distribution systems including electrical, gas and telephone.”

“11) Improvements to streetscapes and urban design.”

“12) Provisions for senior citizen, low to moderate income and handicapped housing.”

“13) Purchase of land, construction, reconstruction or rehabilitation of structures, for the purpose of providing necessary community uses such as parking and recreational facilities, etc.”

RESOLUTION NO. 17-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE LANCASTER HOUSING AUTHORITY AND INSITE DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY FOR PROPERTY LOCATED AT FUTURE 32ND STREET WEST AND WEST AVENUE I

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Lancaster Redevelopment Agency (the “Redevelopment Agency”) to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community’s supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the “Housing Fund”) and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the “2011 Dissolution Act”), the California Legislature eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Lancaster (“City”) designated the Lancaster Housing Authority (“Authority”) as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, to address the Authority’s objectives of reducing homelessness and providing affordable housing, InSite Development, LLC, a California limited liability company (the “Developer”), has proposed to acquire from the Authority certain property located at future 32nd Street West and West Avenue I in the City of Lancaster (the “Site”), to construct the following: (i) fifty-one (51) attached rental housing units, the occupancy of not fewer than fifty (50) of which would be restricted to occupancy by households having income limited as more particularly provided in the “Agreement”, as described below; (ii) one hundred (100) temporary mini housing units; (iii) five (5) shelters housing twenty (20) people each; (iv) 4,000 square feet for on-site service providers; (v) 4,500 square feet for on-site medical; and (vi) 18,000 square feet for other services for the homeless individuals and families (the development of the Site as provided under the Agreement constitutes the “Project”); and

WHEREAS, in order to implement the affordable housing objectives of the Authority, the Authority proposes to enter into a Disposition and Development Agreement (the “Agreement”) with the Developer, pursuant to which the Authority would sell the Site to the Developer and the Developer would agree to construct the Project in accordance with the requirements of the Agreement, restrict occupancy of certain apartment units in the Project to very low income households and low income households, all as more particularly set forth in the Agreement; and

WHEREAS, the Agreement will leverage the value and utility of the Site by requiring the Developer to obtain additional financing for the construction and operation of the Project through a combination of funding sources, to include an equity contribution by a limited partner investor in consideration for certain federal and state tax credits (collectively, “Tax Credits”) to be generated by the Project, as described in greater detail in the Agreement; and

WHEREAS, the Project is located within the project area of Lancaster Redevelopment Project No. 6 (the “Project Area” and the “Redevelopment Project”, respectively) of the former Redevelopment Agency and the acquisition, construction and operation of the Project pursuant to the Agreement would benefit the Project Area by providing affordable housing for persons who currently live and work within the Project Area; and

WHEREAS, the Redevelopment Agency previously adopted an Implementation Plan pursuant to Health and Safety Code Section 33490, which set forth the objective of providing housing to satisfy the needs and desires of various constituent elements of the community; and

WHEREAS, the Agreement furthers the goals of the Authority as well as the goals of the former Redevelopment Agency as set forth in the Implementation Plan as it will facilitate the creation of affordable housing which will serve the residents of the neighborhood and the City as described in the Agreement; and

WHEREAS, the California Legislature has declared in Health and Safety Code Section 36000, et seq., that new forms of cooperation with the private sector, such as leased housing, disposition of real property acquired through redevelopment, development approvals, and other forms of housing assistance may involve close participation with the private sector in meeting housing needs, without amounting to development, construction or acquisition of low rent housing projects as contemplated under Article XXXIV of the State Constitution; and

WHEREAS, Health and Safety Code Section 37001.5 provides that a public body does not develop, construct or acquire a low rent housing project under Article XXXIV of the State Constitution when the public body provides assistance to a low rent housing project and monitors construction or rehabilitation of the project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, the Agreement provides for assistance by the Authority to the Project, and the Authority's monitoring of construction of the Project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, for the foregoing reasons, the Project does not require voter approval under Article XXXIV of the State Constitution; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, under the Agreement, the Developer shall purchase the Site from the Authority at the price described in a report to the Authority and City Council concerning the Agreement made substantially in the manner described by Section 33433 of the California Health and Safety Code (the "Report"); and

WHEREAS, the Developer has submitted to the Authority and the City Council of the City of Lancaster (the "City Council") copies of the Agreement substantially in the form submitted herewith; and

WHEREAS, the price to be received by the Authority under the Agreement is not less than the fair reuse value of the Site; and

WHEREAS, the Authority is authorized to dispose of interests in property in the manner prescribed by the California Housing Authorities Law (Division 24, Part 2 of the California Health and Safety Code); and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, the proposed Agreement, and a summary report substantially in the form described by Health and Safety Code Section 33433 (the "Summary Report"), were available for public inspection prior to the joint public hearing; and

WHEREAS, on November 14, 2017, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the City Council has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the City Council has previously determined, in its adoption of the ordinance approving the Redevelopment Project, that the Site is a portion of a blighted area, and is underutilized, as further set forth in the Implementation Plan as previously adopted and amended by the former Redevelopment Agency; and

WHEREAS, the Agreement would assist in the alleviation or removal of blighting conditions, would promote the affordable housing objectives of the Authority and would further the goals of the Implementation Plan by providing for the provision of improvements and the operation of certain uses as provided in the Agreement; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the redevelopment of the Site pursuant to the Agreement is in the best interests of the City of Lancaster and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER DOES RESOLVE AS FOLLOWS:

Section 1. The City Council finds and determines that the statements set forth in the Recitals above are true, correct and a substantive part of this Resolution.

Section 2. The City Council hereby finds that the use of funds from the former Redevelopment Agency's Low and Moderate Income Housing Fund pursuant to the Agreement, as such moneys were used in connection with acquisition of the Site, will be of benefit to the Project Area for the reasons set forth above.

Section 3. The City Council hereby determines that voter approval is not required by Article XXXIV of the State Constitution for the reasons set forth above. This Resolution is hereby deemed to constitute a final approval of a proposal which may result in housing assistance benefiting persons of low income, within the meaning of Health and Safety Code Section 36005.

Section 4. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's disposition of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 5. The City Council hereby finds and determines that the disposition of the Site by the Authority pursuant to the Agreement will promote the affordable housing objectives of the Authority and will eliminate blight within the Project Area by providing for the proper reuse and redevelopment of a portion of the Project Area which was declared blighted.

Section 6. The City Council hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan as previously adopted by the Redevelopment Agency.

Section 7. The City Council hereby approves the Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the Executive Director of the Authority or his designee. The Executive Director of the Authority is hereby authorized to execute the Agreement (including without limitation all attachments thereto) on behalf of the Authority. A copy of the Agreement when executed by the City shall be placed on file in the office of the City Clerk of the City.

Section 8. The City Council consents that the Executive Director of the Authority (or his designee) may, on behalf of the Authority, make revisions to the Agreement which do not materially or substantially increase the Authority's obligations thereunder or materially or substantially change the uses or development permitted on the Site, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Authority's obligations, responsibilities and duties to be performed under the Agreement and related documents.

PASSED, APPROVED and ADOPTED this 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT S. AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster,
CA do hereby certify that this is a true and correct copy of the original Resolution No. 17-56, for
which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day
of _____, _____.

(seal)

RESOLUTION NO. HA 01-17

A RESOLUTION OF THE LANCASTER HOUSING AUTHORITY APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE LANCASTER HOUSING AUTHORITY AND INSITE DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY FOR PROPERTY LOCATED AT FUTURE 32ND STREET WEST AND WEST AVENUE I

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Lancaster Redevelopment Agency (the "Redevelopment Agency") to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the "Housing Fund") and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the "2011 Dissolution Act"), the California Legislative eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Lancaster ("City") designated the Lancaster Housing Authority ("Authority") as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, to address the Authority's objectives of reducing homelessness and providing affordable housing, InSite Development, LLC, a California limited liability company (the "Developer"), has proposed to acquire from the Authority certain property located at future 32nd Street West and West Avenue I in the City of Lancaster (the "Site"), to construct the following: (i) fifty-one (51) attached rental housing units, the occupancy of not fewer than fifty (50) of which would be restricted to occupancy by households having income limited as more particularly provided in the "Agreement", as described below; (ii) one hundred (100) temporary mini housing units; (iii) five (5) shelters housing twenty (20) people each; (iv) 4,000 square feet for on-site service providers; (v) 4,500 square feet for on-site medical; and (vi) 18,000 square feet for other services for the homeless individuals and families (the development of the Site as provided under the Agreement constitutes the "Project"); and

WHEREAS, in order to implement the affordable housing objectives of the Authority, the Authority proposes to enter into a Disposition and Development Agreement (the "Agreement") with the Developer, pursuant to which the Authority would sell the Site to the Developer and the Developer would agree to construct the Project in accordance with the requirements of the Agreement, restrict occupancy of certain apartment units in the Project to very low income households and low income households, all as more particularly set forth in the Agreement; and

WHEREAS, the Agreement will leverage the value and utility of the Site by requiring the Developer to obtain additional financing for the construction and operation of the Project through a combination of funding sources, to include an equity contribution by a limited partner investor in consideration for certain federal and state tax credits (collectively, "Tax Credits") to be generated by the Project, as described in greater detail in the Agreement; and

WHEREAS, the Project is located within the project area of Lancaster Redevelopment Project No. 6 (the "Project Area" and the "Redevelopment Project", respectively) of the former Redevelopment Agency and the acquisition, construction and operation of the Project pursuant to the Agreement would benefit the Project Area by providing affordable housing for persons who currently live and work within the Project Area; and

WHEREAS, the Redevelopment Agency previously adopted an Implementation Plan pursuant to Health and Safety Code Section 33490, which set forth the objective of providing housing to satisfy the needs and desires of various constituent elements of the community; and

WHEREAS, the Agreement furthers the goals of the Authority as well as the goals of the former Redevelopment Agency as set forth in the Implementation Plan as it will facilitate the creation of affordable housing which will serve the residents of the neighborhood and the City as described in the Agreement; and

WHEREAS, the California Legislature has declared in Health and Safety Code Section 36000, et seq., that new forms of cooperation with the private sector, such as leased housing, disposition of real property acquired through redevelopment, development approvals, and other forms of housing assistance may involve close participation with the private sector in meeting housing needs, without amounting to development, construction or acquisition of low rent housing projects as contemplated under Article XXXIV of the State Constitution; and

WHEREAS, Health and Safety Code Section 37001.5 provides that a public body does not develop, construct or acquire a low rent housing project under Article XXXIV of the State Constitution when the public body provides assistance to a low rent housing project and monitors construction or rehabilitation of the project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, the Agreement provides for assistance by the Authority to the Project, and the Authority's monitoring of construction of the Project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, for the foregoing reasons, the Project does not require voter approval under Article XXXIV of the State Constitution; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, under the Agreement, the Developer shall purchase the Site from the Authority at the price described in a report to the Authority and City Council concerning the Agreement made substantially in the manner described by Section 33433 of the California Health and Safety Code (the "Report"); and

WHEREAS, the financial participation by the Authority under the Agreement is in consideration of the particular uses required by the Agreement to be conducted by Developer on the Site as well as the Developer's undertakings concerning the development and operation of improvements for affordable rental housing; and

WHEREAS, the Developer has submitted to the Authority and the City Council of the City of Lancaster (the "City Council") copies of the Agreement substantially in the form submitted herewith; and

WHEREAS, the price to be received by the Authority under the Agreement is not less than the fair reuse value of the Site; and

WHEREAS, the Authority is authorized to dispose of interests in property in the manner prescribed by the California Housing Authorities Law (Division 24, Part 2 of the California Health and Safety Code); and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, the proposed Agreement, and a summary report substantially in the form described by Health and Safety Code Section 33433 (the "Summary Report"), were available for public inspection prior to the joint public hearing; and

WHEREAS, on November 14, 2017, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the City Council has previously determined, in its adoption of the ordinance approving the Redevelopment Project, that the Site is a portion of a blighted area, and is underutilized, as further set forth in the Implementation Plan as previously adopted and amended by the former Redevelopment Agency; and

WHEREAS, the Agreement would assist in the alleviation or removal of blighting conditions, would promote the affordable housing objectives of the Authority and would further the goals of the Implementation Plan by providing for the provision of improvements and the operation of certain uses as provided in the Agreement; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the redevelopment of the Site pursuant to the Agreement is in the best interests of the City of Lancaster and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE LANCASTER HOUSING AUTHORITY DOES RESOLVE AS FOLLOWS:

Section 1. The Authority finds and determines that the statements set forth in the Recitals above are true, correct and a substantive part of this Resolution.

Section 2. The Authority hereby finds that the use of funds from the former Redevelopment Agency's Low and Moderate Income Housing Fund pursuant to the Agreement, as such moneys were used in connection with acquisition of the Site, will be of benefit to the Project Area for the reasons set forth above.

Section 3. The Authority hereby determines that voter approval is not required by Article XXXIV of the State Constitution for the reasons set forth above. This Resolution is hereby deemed to constitute a final approval of a proposal which may result in housing assistance benefiting persons of low income, within the meaning of Health and Safety Code Section 36005.

Section 4. The Authority finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's disposition of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 5. The Authority hereby finds and determines that the disposition of the Site by the Authority pursuant to the Agreement will promote the affordable housing objectives of the Authority and will eliminate blight within the Project Area by providing for the proper reuse and redevelopment of a portion of the Project Area which was declared blighted.

Section 6. The Authority hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan as previously adopted by the Redevelopment Agency.

Section 7. The Authority hereby approves the Agreement in substantially the form presented to the Authority, subject to such revisions as may be made by the Executive Director of the Authority or his designee. The Executive Director of the Authority is hereby authorized to execute the Agreement (including without limitation all attachments thereto) on behalf of the Authority. A copy of the Agreement when executed by the Authority shall be placed on file in the office of the Secretary of the Authority.

Section 8. The Executive Director of the Authority (or his designee) is hereby authorized, on behalf of the Authority, to make revisions to the Agreement which do not materially or substantially increase the Authority's obligations thereunder or materially or substantially change the uses or development permitted on the Site, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Authority's obligations, responsibilities and duties to be performed under the Agreement and related documents.

PASSED, APPROVED and ADOPTED this 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
Secretary
Lancaster Housing Authority

KITTY KIT YEE SZETO
Chair
Lancaster Housing Authority

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER

CERTIFICATION OF RESOLUTION
LANCASTER HOUSING AUTHORITY

I, _____, _____ City of Lancaster, CA,
do hereby certify that this is a true and correct copy of the original Resolution No. HA 01-17, for
which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____
day of _____, _____.

(seal)

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

LANCASTER HOUSING AUTHORITY

and

INSITE DEVELOPMENT, LLC

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this “Agreement”) is entered into by and between the **LANCASTER HOUSING AUTHORITY**, a public body corporate and politic, (the “Authority”), and **INSITE DEVELOPMENT, LLC**, a California limited liability company (the “Developer”).

RECITALS

The following recitals are a substantive part of this Agreement; capitalized terms used herein and not otherwise defined are defined in Section 1.1 of this Agreement:

A. Sections 33334.2 and 33334.6 of the California Health and Safety Code formerly authorized and directed the Lancaster Redevelopment Agency (the “Redevelopment Agency”) to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community’s supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income.

B. By ABx1 26 enacted by the California Legislature during 2011 (the “2011 Dissolution Act”), the California Legislative eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency. The 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city. The City Council of the City of Lancaster (“City”) designated the Authority as the housing entity to receive the housing assets of the former Redevelopment Agency.

C. To address the Authority’s objectives of reducing homelessness and providing affordable housing, the Developer has proposed to acquire from the Authority certain property located at future 32nd Street West and West Avenue I in the City (the “Authority Parcel”), to construct the following: (i) fifty-one (51) attached rental housing units, the occupancy of not fewer than fifty (50) of which would be restricted to occupancy by households having income limited as more particularly provided in this Agreement; (ii) one hundred (100) temporary mini housing units; (iii) five (5) shelters housing twenty (20) people each; (iv) 4,000 square feet for on-site service providers; (v) 4,500 square feet for on-site medical; and (vi) 18,000 square feet for other services for the homeless individuals and families (the development of the Authority Parcel as provided under this Agreement constitutes the “Project”)

D. The disposition of the Authority Parcel, and the development, improvement, maintenance, and operation of the Project on the Authority Parcel, as provided for in this Agreement, are in the vital and best interests of the City and the welfare of its residents, and are in accord with the public purposes and provisions of applicable state and local laws. This Agreement further implements the Authority’s goals and objectives to provide decent, safe and sanitary housing for persons and families of low and moderate income, and to increase, improve and preserve housing available at affordable housing costs to persons and families of low and moderate income pursuant to the Section 33413 of the California Health and Safety Code.

E. The California Legislature has declared in Health and Safety Code Section 37000, *et seq.*, that new forms of cooperation with the private sector, such as leased housing, disposition of real property acquired through redevelopment, development approvals, and other forms of housing assistance may involve close participation with the private sector in meeting housing needs, without amounting to development, construction or acquisition of low rent housing projects as contemplated under Article XXXIV of the State Constitution.

F. Section 37001 of the California Health and Safety Code provides that a low rent housing project under Article XXXIV of the State Constitution does not include a development, which consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of dwelling units of a project previously occupied by lower income households. The Project (as defined herein) to be assisted pursuant to this Agreement consists of the replacement of fifty (50) dwelling units within the City, which were previously occupied by lower and very low income households. The Authority has not previously provided for the replacement of such dwelling units within the community.

G. Section 37001.5 of the Health and Safety Code provides that a public body does not develop, construct or acquire a low rent housing project under Article XXXIV of the State Constitution when the public body provides assistance to a low rent housing project and monitors construction or rehabilitation of the project to the extent of (i) carrying out routine governmental functions, (ii) performing conventional activities of a lender, and (iii) imposing constitutionally mandated or statutorily authorized conditions accepted by the Developer. This Agreement provides for assistance by the Authority to the Project, and the Authority's monitoring of construction of the Project to the extent of (i) carrying out routine governmental functions, (ii) performing conventional activities of a lender, and (iii) imposing constitutionally mandated or statutorily authorized conditions accepted by the Developer.

H. Construction and operation of the Project pursuant to this Agreement is in the City's vital and best interest and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws.

NOW, THEREFORE, the Authority and the Developer agree as follows:

1. INTRODUCTORY PROVISIONS

1.1 Definitions.

Capitalized terms used herein shall have the meanings set forth in this Section 1.1:

"Affordability Period" is defined in Section 5.1(b) hereof.

"Affordable Rents" shall have the meaning set forth in Health and Safety Code Section 50053, as in effect of the date hereof, as calculated for very low income households and for lower income households.

"Authority" means the Lancaster Housing Authority, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the California Housing Authorities Law (Cal. Health & Safety Code § 34200 *et seq.*).

“Authority’s Conditions Precedent” means the conditions precedent to the Closing for the benefit of the Authority, as set forth in Section 3.1(i) as applicable, hereof.

“Authority Deed of Trust” means the deed of trust granted by the Developer to the Authority to secure Developer’s performance under this Agreement. The Authority Deed of Trust shall be recorded at Closing as an encumbrance against the Authority Parcel. The form of the Authority Deed of Trust is attached hereto as Attachment No. 8 and incorporated herein.

“Authority’s Environmental Consultant” is defined in Section 3.1 hereof.

“Authority Parcel” means that certain unimproved and vacant real property, which is more particularly described in the Authority Parcel Legal Description.

“Authority Parcel Grant Deed” means the grant deed for the conveyance of the Authority Parcel from the Authority to the Developer, in substantially the form of Attachment No. 2 hereto which is incorporated herein by reference.

“Authority Parcel Legal Description” means the legal description of the Authority Parcel attached hereto as Attachment No. 1 and incorporated herein.

“Agreement” means this Disposition and Development Agreement by and between the Authority and the Developer.

“ALTA” means the American Land Title Association.

“Area Median Income” shall mean the area medium income for Los Angeles County, California, adjusted for household size, as determine pursuant to Health and Safety Code Section 50093, as in effect of the date hereof.

“CC&R’s” means, collectively, the Declarations of Conditions, Covenants and Restrictions attached hereto as Attachment Nos. 5 and 6, which are incorporated herein by reference.

“Certificate of Occupancy” shall mean the certificate issued by the official in the City’s Building Department with authority over such issuance subsequent to the approval of the Developer Improvements.

“City” means the City of Lancaster, a California municipal corporation.

“City Code” shall mean the City of Lancaster Municipal Code.

“CLTA” means the California Land Title Association.

“Claimant” is defined in Section 6.1 hereof.

“Closing” means the time and day the Authority Parcel Grant Deed is filed for recordation with the Los Angeles County Recorder.

“Closing Date” means the day on which the Closing occurs.

“Community Redevelopment Law” means California Health and Safety Code Sections 33000, *et seq.*, as the same now exist or may hereafter be amended.

“County” means the County of Los Angeles.

“Date of this Agreement” means the date upon which this Agreement shall have been executed by the Authority.

“Default” means the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 6.1 hereof.

“Default Notice” is defined in Section 6.1 hereof.

“Developer” means InSite Development, LLC, a California limited liability company, and any assignee or successor to the Developer permitted pursuant to the terms of this Agreement.

“Developer’s Financing” is defined in Section 3(i)(2)(H).

“Developer Improvements” means the improvements to be constructed by the Developer for the Project as set forth in Section 4.1. and the Scope of Development.

“Developer’s Conditions Precedent” means the conditions precedent to the Closing for the benefit of Developer, as set forth in Section 3.1(i) as applicable, of this Agreement.

“Developer’s Environmental Consultant” is defined in Section 3.1 hereof.

“Development Impact Fees” shall mean and refer only to the following fees imposed by the City: Planning Director’s Fee for Review for Models, Grading Permit Fee, Grading Plan Check Fee, Permit Fee (Building), Plan Review Fee (Building), Permit Issuance Fees, Drainage Annexation Fee, Lighting First Year’s Energy Fee, Landscaping Annexation Fee, Traffic Impact Fee, Traffic Signal Fee, Drainage Fee and Park in Lieu (Park Acquisition) Fee.

“Development Plan(s)” is defined in Section 4.2(a) hereof.

“Environmental Law” means any federal, state, or local law, statute, ordinance or regulation pertaining to environmental regulation, contamination or cleanup of any Hazardous Materials, including, without limitation: (i) Sections 25115, 25117, 25122.7 or 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) Article 9 or Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (vi) Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (vii) Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 *et seq.* (42 U.S.C. Section 6903) or

(viii) Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601 *et seq.*

“Escrow” is defined in Section 3 of this Agreement.

“Escrow Agent” is defined in Section 3 of this Agreement.

“Final Development Plans” is defined in Section 4.2(a) of this Agreement.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City or any other political subdivision in which the Authority Parcel is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Authority, the Developer or the Authority Parcel including all applicable state labor standards, all applicable laws relating to prevailing wages as set forth in California Labor Code Section 1720 *et seq.*, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City’s Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Sections 12101, *et seq.*, California Government Code Sections 4450, *et seq.*, California Government Code Sections 11135, *et seq.*, and the Unruh Civil Rights Act, California Civil Code Sections 51, *et seq.*

“Hazardous Materials” means any substance, material or waste which is or becomes, prior to the Closing, regulated by any local governmental agency, the State of California or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) refined petroleum products, (vi) friable asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 *et seq.* (42 U.S.C. Section 6903), (xi) Methyl-tert-Butyl Ether or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, *et seq.*

“Gross Income” shall mean the gross income of a household or family calculated in accordance with Section 6914 of Title 25 of the California Code of Regulations as in effect on the date hereof.

“Memorandum of Agreement” means the memorandum of Agreement attached hereto as Attachment No. 7 and incorporated herein by reference.

“Outside Date” is defined in Section 3(d) of this Agreement.

“Parcel” means and refers to the Authority Parcel.

“Permanent Financing” is defined in Section 5.4.

“Project” means (i) the fifty-one (51) attached Residential Units, the occupancy of not fewer than fifty (50) of which shall be restricted to occupancy by households having income limited as more particularly provided in this Agreement; (ii) one hundred (100) temporary mini housing units; (iii) five (5) shelters housing twenty (20) people each; (iv) 4,000 square feet for on-site service providers; (v) 4,500 square feet for on-site medical; and (vi) 18,000 square feet for other services for the homeless individuals and families.

“Property” means and refers to the Authority Parcel.

“Qualified Resident” means a person or household whose Gross Income is equal to or less than the income limits specified in Section 5.1(a).

“Removal Date” is defined in Section 3(g) hereof.

“Residential Units” shall mean the fifty-one (51) housing units to be constructed by the Developer on the Authority Parcel.

“Schedule of Performance” means that certain Schedule of Performance attached hereto as Attachment No. 3 and incorporated herein by reference, setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Developer and the Authority’s Executive Director, and the Authority’s Executive Director is authorized to make such revisions as he or she deems reasonably necessary.

“Scope of Development” means that certain Scope of Development attached hereto as Attachment No. 4 and incorporated herein by this reference, which describes the scope, amount and quality of the Developer Improvements.

“Title Company” is defined in Section 3(g) hereof.

“Title Policies” is defined in Section 3(h) hereof.

“Title Reports” is defined in Section 3(g) hereof.

1.2 Representations and Warranties.

(a) Authority Representations. Authority hereby makes the representations and warranties contained below in this Section, all of which unless otherwise stated, are effective

as of the Date of this Agreement and shall be deemed remade as of the Closing Date. All of the representations and warranties set forth in this Section 1.2(a) are made with the acknowledgement that they are material, and with the intention that the Developer shall rely upon them as inducements to enter into this Agreement and to perform their obligations hereunder and to close the transactions contemplated herein. The representations and warranties contained in this Section shall each survive the execution of this Agreement and the Closing without limitation as to time.

(1) Authority. The Authority is a public body, corporate and politic, existing pursuant to the California Housing Authorities Law (Cal. Health & Safety Code § 34200 *et seq.*). The Authority has full right, power and lawful authority to convey the Authority Parcel to the Developer as provided herein, and the execution, performance and delivery of this Agreement by the Authority has been fully authorized by all requisite actions. The Authority's Executive Director or his or her designee has been authorized to act in accordance with Sections 7.5 and 7.10.

(2) Possession/Leases. As of the Closing Date, there are no tenants or persons, firms, partnerships, corporations, or entities other than the Authority, who have a lawful interest of any kind in the Authority Parcel. No person, firm, partnership, corporation or other entity other than the Authority has any right to possess the Authority Parcel or any portion of the Authority Parcel.

(3) Title. The Authority, at the time of the execution of this Agreement, holds title to the Authority Parcel in fee simple and is the lawful owner of the Authority Parcel. There are no persons other than the Authority having any direct or indirect legal or beneficial ownership of any part of the Authority Parcel. Authority has not granted and there are no outstanding options or rights to purchase the Authority Parcel or any portion thereof or any interest therein.

(4) Litigation. To the best of Authority's knowledge, as of the Closing Date, there are no actions, suits, material claims, legal proceedings or any other proceedings affecting the Authority Parcel or any portion thereof, at law or in equity, before any court or governmental agency, domestic or foreign.

(5) FIRPTA. The Authority is not a "foreign person" within the parameters of FIRPTA or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute.

(6) No Conflict. The Authority's execution, delivery and performance of its obligations under this Agreement will not (i) constitute a default or a breach under any contract, agreement or order to which Authority is a party or by which it is bound or (ii) violate any statute, law or regulation.

(7) No Authority Bankruptcy. The Authority is not the subject of a bankruptcy proceeding.

(8) Deliveries. All documents, instruments and other information delivered by the Authority to the Developer pursuant to this Agreement or in

connection with the conveyance and development of the Authority Parcel are true, correct and complete.

(9) Commissions. Authority has entered into no agreements which would require payment of any broker's commission or finder's fee in connection with the transfer of the Authority Parcel.

(10) Mechanic's Liens. To the best of Authority's knowledge, as of the Closing Date, there are no unsatisfied mechanic's or materialman's lien rights concerning the Authority Parcel, or pending or threatened claims which may or could ripen with the passage of time into a mechanic's lien upon the Authority Parcel as the result of any contract, agreement or work performed to the Authority Parcel.

(11) Utilities. The Authority Parcel has full access rights to domestic water, sanitary sewer, gas, electric, telephone, cable television and other utilities.

(12) Environmental Matters.

(A) To the best of Authority's knowledge and belief and after due inquiry: (1) no Hazardous Materials are presently deposited, stored, generated or otherwise located on, under, in or about the Authority Parcel, have migrated from the Authority Parcel, upon or beneath other properties, or have migrated or threatened to migrate from other properties upon, about or beneath the Authority Parcel in violation of applicable Environmental Laws; and (2) no underground improvements including, but not limited to, treatment or storage tanks and sumps, are currently located on or under the Authority Parcel. All underground tanks and other improvements previously located on or under the Authority Parcel have been legally and lawfully removed and disposed of in accordance with applicable Environmental Laws in effect at the time of such removal and disposal.

(B) To the best of Authority's knowledge and belief, there exists no injunction, decree, order or judgment outstanding, or any lawsuit, claim, proceedings, citation, directive or investigation, pending or threatened, relating to the ownership, use, maintenance or operation of the Authority Parcel by any person, or from any alleged violation of Environmental Laws or from the suspected presence of Hazardous Materials thereon, nor does there exist any basis for such lawsuit, claim, proceeding, citation, directive or investigation being instituted or filed.

(C) To the best of the Authority's knowledge and belief, there are no existing violations of the Environmental Laws nor are there any acts or omissions which have occurred which, upon the passage of time, could or will constitute a violation of those Environmental Laws in effect as of the date of the Closing. Neither Authority, nor to the best of Authority's knowledge and belief, any prior owner or occupant of the Authority Parcel, have received notice or other communications concerning any alleged violation of any Environmental Laws, whether or not corrected to the satisfaction of the appropriate authority.

Until the Closing, the Authority shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, immediately give written notice of such fact or condition to the Developer.

(b) Developer's Representations. The Developer hereby makes the representations and warranties contained below in this Section, all of which are effective as of the Date of this Agreement and shall be deemed remade as of the Closing Date. All of the representations and warranties set forth in this Section are made with the acknowledgement that they are material, and with the intention that the Authority shall rely upon them as inducements to enter into this Agreement and to perform its obligations hereunder and to close the transactions contemplated herein. The representations and warranties contained in this Section shall each survive the execution of this Agreement and the Closing without limitation as to time.

(1) Authority. The Developer is a California limited liability company. The Developer has full right, power and lawful authority to acquire the Authority Parcel as provided herein and the execution, performance and delivery of this Agreement by the Developer has been fully authorized by all requisite actions.

(2) FIRPTA. The Developer is not a "foreign person" within the parameters of FIRPTA or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute.

(3) No Conflict. The Developer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(4) No Developer Bankruptcy. The Developer is not the subject of a bankruptcy proceeding.

(5) Deliveries. All documents, instruments and other information delivered by the Developer to the Authority pursuant to this Agreement are true, correct and complete.

(6) Commissions. Developer has entered into no agreements which would require payment of any broker's commission or finder's fee in connection with the transfer of the Authority Parcel.

Until the Closing, the Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of Closing, immediately give written notice of such fact or condition to Authority. The representations and warranties of this Section shall survive the Closing.

1.3 Transfers of Interest in Authority Parcel or Agreement.

(a) Prohibition. The qualifications and identity of Developer are of particular concern to the Authority. It is because of those qualifications and identity that the Authority has entered into this Agreement with the Developer. For the period commencing upon the Date of this Agreement and until expiration of the Affordability Period, no voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement, nor shall the Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Authority Parcel or

the Developer Improvements thereon without prior written approval of Authority, except as expressly set forth herein.

(b) Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, Authority approval of an assignment of this Agreement or conveyance of the Authority Parcel or the Developer Improvements, or any part thereof, shall not be required in connection with any of the following:

(1) The conveyance or dedication of any portion of the Authority Parcel to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of infrastructure and utility improvements deemed necessary by the City or other appropriate governmental agency to support the Developer Improvements.

(2) Any requested assignment for financing purposes (subject to such financing being considered and approved by Authority pursuant to 4.10 of this Agreement), including the grant of a deed of trust to secure the funds necessary for construction and permanent financing of the Developer Improvements.

(3) A long-term lease agreement entered into by and between the Developer and OPCC to facilitate OPCC's provision of services as part of the Project; provided, however, that such long-term lease shall be for a period of at least ninety-nine (99) years, shall be triple net and shall not require OPCC to pay annual rent in excess of One Dollar (\$1.00).

(4) The transfer, assignment or hypothecation of limited partnership interest in the Developer; and long-term lease agreement with the Developer; and

(5) The removal by the investor limited partner of a general partner of the Developer and its replacement as managing general partner by Alliant, Inc. (the "Investor Limited Partner General Partner"), or by a wholly-owned affiliate of the Investor Limited Partner General Partner, which removal shall be in accordance with the terms of the limited partnership agreement of the Developer, provided that (1) the entity replacing the removed developer general partner must be a single purpose entity and (2) after such replacement, the Investor Limited Partner General Partner must own not less than 51% of the general partnership or managing membership interests, as applicable, in the entity which replaced the removed developer general partner.

(c) Authority Consideration of Requested Transfer. Except as provided in Section 5 hereof, the Authority agrees that it will not unreasonably withhold approval of a request made pursuant to this Section 1.3, provided the Developer delivers written notice to the Authority requesting such approval. Such notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, and its financial commitments and resources, in sufficient detail to enable the Authority to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 1.3(c) and as reasonably determined by the Authority. The Authority shall evaluate each proposed transferee or assignee on the basis of its development and/or operational

qualifications and experience and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, during the period for which this Section 1.3 applies, which the Authority determines does not possess equal or better qualifications than the transferring Developer. An assignment and assumption agreement in form reasonably satisfactory to Authority's legal counsel shall also be required for all proposed assignments. Within thirty (30) days after the receipt of the Developer's written notice requesting Authority approval of an assignment or transfer pursuant to this Section 1.3, the Authority shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, Authority requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Developer shall promptly furnish to the Authority such further information as may be reasonably requested. Within fifteen (15) days after the receipt of such further information, the Authority shall either approve or disapprove such proposed assignment. In the event Authority disapproves such proposed request, Authority shall also provide a written statement setting forth its reasons for disapproval within said fifteen (15) day period.

(d) Successors and Assigns. Except as provided in Section 5 hereof, all of the terms, covenants and conditions of this Agreement shall be binding upon the Developer and its permitted successors and assigns. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

(e) Assignment by Authority. Authority may assign or transfer any of its rights or obligations under this Agreement without the approval of the Developer.

2. ACQUISITION OF AUTHORITY PARCEL

2.1 Purchase Price of the Authority Parcel. The Authority shall sell to Developer, and Developer shall purchase from Authority, all of Authority's interest in the Authority Parcel, which consists of a fee simple interest, for a purchase price of One Dollar (\$1.00) (the "Purchase Price"), to be paid in cash at Closing.

2.2 Waiver and Release. Developer, on behalf of itself and its affiliates, and any and all successors and assigns, hereby fully and finally releases Authority, the City, and their respective past and present elective and appointive boards, commissions, officials and employees, representatives and agents from any and all manner of actions, causes of action, suits, obligations, liabilities, judgments, executions, debts, claims and demands of every kind and nature whatsoever, known and unknown, which Developer and any of its affiliates, successors or assigns may now have or hereafter obtain against the Authority or the City or their respective past and present elective and appointive boards, commissions, officials and employees, representatives and agents by reason of, arising out of, relating to, or resulting from in full or in part, the election of Developer to proceed with this Agreement. The parties agree that, with respect to the release of Claims as set forth above, all rights under Section 1542 of the California Civil Code and any similar law of any state or territory of the United States are expressly waived. Section 1542 reads as follows:

Section 1542. Certain claims not affected by general release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

2.3 City and Other Governmental Agency Permits. Before commencement of the construction of the Developer Improvements, the Developer shall, at its own expense, secure or cause to be secured any and all permits which may be required by any other governmental agency with jurisdiction over such construction. The City has or is expected to waive all building permit fees and Developmental Impact Fees in connection with the Project. Authority staff will, without obligation to incur liability or expense therefor, use its best efforts to expedite the City's issuance of building permits for construction and certificates of occupancy that meet the requirements of the City Code, and all other applicable laws and regulations.

3. Purchase Escrow. Within the time set forth in the Schedule of Performance the parties shall open escrow (the "Escrow") with Fidelity National Escrow or another escrow company mutually satisfactory to both parties (the "Escrow Agent"). The Escrow provisions of this Section 3 shall apply to acquire the Authority Parcel.

(a) Costs of Escrow. The Authority shall pay the premium for the CLTA Title Policy as set forth in sub section (h) hereof, and the documentary transfer taxes, if any, due with respect to the conveyance of the Authority Parcel and the Developer shall pay any additional premium for ALTA extended coverage title insurance as well as the costs of any endorsements to coverage thereon. The Developer and the Authority each agree to pay one-half of all other typical fees, charges, and costs customary in the County of Los Angeles which arise from the Escrow.

(b) Escrow Instructions. This Agreement constitutes the joint escrow instructions of the Developer and the Authority, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts reasonably necessary to close the Escrow in the shortest possible time. Insurance policies for fire or casualty are not to be transferred, and the Authority will cancel such policies after the Closing. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any state or national bank doing business in the State of California. All disbursements shall be made by check from such account.

If in the opinion of either party it is necessary or convenient in order to accomplish the Closing, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Closing shall take place when both the Authority's Conditions Precedent and the Developer's Conditions Precedent as set forth in Section 3(i) have been satisfied; or waived in writing by the party for whose benefit the condition

is imposed. Escrow Agent is instructed to release Authority's escrow closing statement and Developer's escrow closing statement to the respective parties.

(c) Authority of Escrow Agent. The Escrow Agent is authorized to, and shall:

(1) Pay and charge the Authority for the premium of the CLTA Title Policy for the Authority Parcel as set forth in Section 3(h) hereof and any amount necessary to place title to the Authority Parcel in the condition necessary to satisfy Section 3(g) of this Agreement.

(2) Pay and charge the Developer and the Authority for their respective shares of any escrow fees, charges, and costs payable under Section 3(a) of this Agreement.

(3) Pay and charge the Developer for any additional premium to obtain ALTA extended coverage (if any) and for any endorsements to the Title Policy for the Authority Parcel which are requested by the Developer.

(4) Disburse funds, deliver and record the Authority Parcel Grant Deed and the CC&R's, when both the Developer's Conditions Precedent and the Authority's Conditions Precedent have been fulfilled or waived by the Developer and the Authority.

(5) Do such other actions as necessary to fulfill its obligations under this Agreement.

(6) Within the discretion of the Escrow Agent and, if necessary, direct the Authority and the Developer, to execute and deliver any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act and regulation promulgated thereunder. Authority agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by the Escrow Agent, on the form to be supplied by the Escrow Agent.

(7) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

(d) Closing. The sale of the Authority Parcel shall close within thirty (30) days of the satisfaction or waiver of all of the Authority's and the Developer's Conditions Precedent as set forth in Section 3(i) hereof, but in no event later than ninety (90) days following the allocation of debt limit in connection with the occurrence of Multifamily Housing Revenue Bonds from California Debt Limit Allocation Committee (the "Outside Date"), unless an extension is mutually agreed to by both parties. The Authority's Executive Director or his/her designee, may approve such an extension which consent shall not be unreasonable withheld. The "Closing" shall mean the time and day the Authority Parcel Grant Deed is filed for record with

the Los Angeles County Recorder. The "Closing Date" shall mean the day on which the Closing occurs.

(e) Termination. If the Escrow is not in condition to close by the Outside Date, then either party which has fully performed under this Agreement may, in writing, demand the return of documents and terminate this Agreement. If either party makes a written demand for return of documents, this Agreement shall not terminate until five (5) days after the Escrow Agent shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, the Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Termination of this Agreement shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible.

(f) Closing Procedure. The Escrow Agent shall close the Escrow as follows:

- (1) Record the Memorandum of Agreement, with instructions for the Recorder of Los Angeles County, California to deliver the Memorandum of Agreement to the Authority;
- (2) Record the Authority Parcel Grant Deed with instructions for the Recorder of Los Angeles County, California to deliver the Authority Parcel Grant Deed to the Developer;
- (3) Record the Authority Deed of Trust with instructions for the Recorder of Los Angeles County, California to deliver the Authority Deed of Trust to the Authority ;
- (4) Record the CC&Rs with instructions for the Recorder of Los Angeles County, California to deliver the CC&Rs to the Authority;
- (5) Instruct the Title Company to deliver the Title Policy for the Authority Parcel to the Developer;
- (6) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;
- (7) Deliver the Authority's FIRPTA Certificate, if any, to the Developer; and
- (8) Forward to both the Developer and the Authority a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into the Escrow, with such recording and filing date and information endorsed thereon.

(g) Review of Title. Within the time set forth in the Schedule of Performance, Authority shall cause the delivery to the Developer of a current California Land Title Association (“CLTA”) preliminary title report as to the Authority Parcel, (the “Title Report”), issued by Fidelity National Title, or another title company mutually agreeable to both parties (the “Title Company”) and together with legible copies of the documents underlying the exceptions to title shown thereon. Within twenty (20) days after the receipt of the Title Report, Developer shall give the Authority written notice of its approval or disapproval of exceptions to title listed therein. Failure to give notice of approval or disapproval of any exception to title shall be deemed disapproval of that title exception. Authority shall use good faith reasonable efforts to remove any disapproved exceptions and to provide Developer with satisfactory evidence of removal with fifteen (15) days after receipt of notice of disapproval or deemed disapproval from the Developer (“the Removal Date”). Notwithstanding the foregoing, Developer hereby approves the following exceptions: i) Authority Parcel taxes and assessments not then delinquent; and ii) all covenants, restrictions, reservations, and other matters set forth in the Authority Parcel Grant Deed and the CC&R’s. If the non-approved matters or exceptions have not been removed by the Removal Date, Developer may elect to terminate this Agreement in the manner set forth in Section 6.3 of this Agreement, in which case the Authority and the Developer shall each pay one-half of the title and Escrow fees. If Developer does not elect to terminate this Agreement, the transaction contemplated under this Agreement shall close in accordance herewith and the Developer shall take title to the Authority Parcel subject to the disapproved matters and exceptions which have not been removed.

(h) Title Insurance. At the Closing Date, the Authority shall cause the Title Company to deliver to the Developer a CLTA owner’s coverage policy of title insurance insuring that title to the Authority Parcel is vested in the Developer, with liability in the amount required by such lenders providing Developer’s Financing. Such policy (the “Title Policy”) shall be subject to the approved title exceptions and standard exceptions in such title policies. If Developer desires an American Land Title Association (“ALTA”) policy of title insurance or endorsements to the Title Policy, that party shall be responsible for the additional costs beyond the cost of a CLTA policy.

(i) Conditions of Closing. The Closing is conditioned upon the satisfaction of the following terms and conditions within the times designated below, and if no time is designated, prior to the Closing:

(1) Authority’s Conditions of Closing. Authority’s obligation to proceed with the Closing of the purchase of the Authority Parcel by Developer is subject to the fulfillment, or waiver by the Authority in writing, by the time period provided for herein, of each and all of the conditions precedent described below (“Authority’s Conditions Precedent”), which are solely for the benefit of the Authority:

(A) No Default. As of the Close of Escrow, the Developer shall not be in default in any of its obligations under the terms of this Agreement and all representations and warranties of the Developer contained herein shall be true and correct in all material respects.

(B) Execution of Documents. The Developer shall have executed or shall have effected the valid execution of, and delivered to Escrow, the CC&R's, Authority Deed of Trust and any other document(s) required by this Agreement.

(C) Payment of Closing Costs. Developer has paid or submitted to Escrow all costs of Closing which are Developer's obligation in accordance with Section 3(a) hereof.

(D) Financing. The Authority shall have approved the financing for the construction of the Developer Improvements in accordance with Section 4.10 hereof.

(E) Environmental Clearance. The Authority shall have received "Removal of Environmental Conditions and Release of Funds" from the State Department of Housing and Community Development prior to closing escrow.

(2) Developer's Conditions of Closing. Developer's obligation to proceed with the Closing of the purchase of the Authority Parcel is subject to the fulfillment, or waiver by Developer in writing of each and all of the conditions precedent described below ("Developer's Conditions Precedent"), which are solely for the benefit of Developer:

(A) No Default. The Authority is not in default in any of its obligations under the terms of this Agreement and all representations and warranties of the Authority contained herein shall be true and correct and not misleading in all material respects.

(B) Title. Authority shall hold title to the Authority Parcel and no persons other than the Authority shall have any direct or indirect legal or beneficial interest in any part of the Authority Parcel.

(C) Execution of Documents. The Authority shall have executed and delivered the Authority Parcel Grant Deed and any other document(s) required by this Agreement.

(D) Payment of Closing Costs. Prior to the Close of Escrow, the Authority has paid or submitted into Escrow all costs of Closing which are Authority's obligation in accordance with Section 3(a) hereof.

(E) Approval of Condition of Title. The Developer shall have approved the condition of title of the Authority Parcel in accordance with Section 3(g) hereof.

(F) Environmental Condition. The Developer shall have approved the environmental condition of the Authority Parcel in accordance with Section 3.2(k)(2) hereof.

(G) Financing. The Developer shall have secured the following: (i) a commitment letter from the from the Community Development Commission of the County of Los Angeles, Affordable Multifamily Rental Housing of Seven Million Dollars

(\$7,000,000), with terms and conditions reasonably satisfactory to Developer, (ii) tax credit equity in the amount of approximately Five Million Six Hundred Dollars (\$5,600,000), with terms and conditions reasonably satisfactory to Developer, (iii) a commitment letter from the California Debt Limit Allocation Committee (CDLAC) in the amount of up to Twelve Million Dollars (\$12,000,000) in Multifamily Housing Revenue Bonds, with terms and conditions reasonably satisfactory to Developer, and (iv) and a commitment letter from a financial institution acceptable to developer to either purchase or credit enhance such Multifamily Housing Revenue Bonds, with terms and conditions reasonably satisfactory to Developer.

(j) Studies and Reports. Prior to the Closing and upon twenty-four (24) hours notice to the Authority, representatives of the Developer shall have the right of access to all portions of the Authority Parcel for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement, including, but not limited to soils testing. Any preliminary work undertaken by a party on the Authority Parcel prior to the Closing shall be done at the sole expense of the Developer and Developer shall defend, indemnify and hold the Authority, the City, and their respective officers, employees, representatives and agents harmless from and against any claims resulting from all preliminary work, access or use of the Authority Parcel undertaken pursuant to this Section 3(j). Any preliminary work shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

(k) Condition of the Authority Parcel.

(1) As-Is Condition. The Authority Parcel shall be conveyed to the Developer “as is” and Authority makes no representation or warranty, express or implied, except as provided in Section 1.2, as to the condition of the Authority Parcel or any improvements thereon, the soil, its geology, or the presence of known or unknown faults, and the Developer agrees to and shall indemnify and hold the Authority and the City harmless from and against all liability, loss, damages, costs, or expenses (including actual attorneys’ fees and court costs) arising or resulting directly or indirectly in full or in part from the condition of the Authority Parcel. It shall be the sole responsibility of the Developer at its expense to investigate and determine the soil and all other conditions of the Authority Parcel and its suitability for the Developer Improvements to be constructed. If the condition of the Authority Parcel is not in all respects entirely suitable for the use or uses to which the Authority Parcel will be put, then it is the sole responsibility and obligation of the Developer to take such action as may be necessary to place the Authority Parcel in a condition entirely suitable for its development pursuant to this Agreement.

(2) Developer’s Environmental Contingency. This Agreement, and the escrow created hereby, are contingent upon the Developer receiving satisfactory evidence, in the form of a Phase I Report, from a licensed contractor who is acceptable to the Developer in its sole and absolute discretion and who shall be hired by the Developer (the “Developer’s Environmental Consultant”), showing that the Authority Parcel is free from any Hazardous Materials in the soil or groundwater, or any other conditions which may adversely affect the value of the Authority Parcel. In the event the Developer is not able to obtain such a Phase I Report, the Developer is entitled to conduct such further and other examination and testing as it or any other responsible governmental agency may require or request to determine the nature, source, scope, and extent of such Hazardous Materials, or it may cancel escrow. If

the Developer's Environmental Consultant determines that there are Hazardous Materials in, on or under the Authority Parcel, including in the groundwater, then the Developer may elect to: (i) cancel escrow and terminate this Agreement; or (ii) purchase the Authority Parcel. Regardless of which option is selected by the Developer in the event Hazardous Materials are found in, on or under the Authority Parcel, neither party waives or relinquishes any common law or statutory rights it or they may have against one another or third persons arising from or related to the cause or source of the Hazardous Materials, or for contribution or indemnity as a result of site evaluation, remediation and clean-up costs and liability. The City of Lancaster shall not disperse funds or close escrow until receipt of the "Removal of Environmental Conditions and Release of Funds" from the State Department of Housing and Community Development.

(3) Developer Precautions After Closing. Upon the Closing, the Developer shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Authority Parcel. Such precautions shall include compliance with all applicable Governmental Requirements with respect to Hazardous Materials. In addition, the Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials in, on or under the Authority Parcel.

(4) Required Disclosures After Closing. After the Closing and within thirty (30) days of Authority's written request, the Developer shall provide to the Authority a copy or copies, of all notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks. The Developer shall report to the Authority, as soon as possible after each incident, any known Hazardous Materials release or known circumstances which would potentially lead to such a release.

(5) Developer Environmental Indemnity. Upon the Closing, the Developer agrees to indemnify, defend and hold the Authority and the City, and their respective officers, employees, agents, representatives and volunteers, harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Authority Parcel, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Authority Parcel. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising or resulting directly or indirectly, in full or in part, from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to a natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment.

(l) Taxes and Assessments. Escrow Holder shall prorate, as of the Closing Date and based on a thirty (30) day month, all non-delinquent real property taxes and assessments which are a lien upon the Authority Parcel, if any. If the actual tax bill for the current tax year is not available by the Closing Date (or if a supplemental assessment based upon new construction or a change in ownership occurring prior to the Closing Date is received following the Closing Date), the Developer and the Authority shall re-prorate such taxes outside of escrow following the Closing Date after such tax statement (or supplemental assessment) becomes available.

4. DEVELOPMENT OF THE AUTHORITY PARCEL

4.1 Scope of Development. Within the time set forth in the Schedule of Performance, the Developer shall develop or cause the development of the Developer Improvements in accordance with the Scope of Development, the City Code, any and all other applicable Governmental Requirements, and any and all other City approvals and entitlements, including without limitation, the final tract maps. The Developer Improvements shall consist generally of the construction of a fifty-one residential unit apartment complex and a 61,500 square foot homeless care facility on the Authority Parcel, together with all on-site improvements and those off-site improvements reasonably related to the Developer Improvements. In no event shall the Residential Units constructed by the Developer consist of mobile or modular homes.

4.2 Construction Drawings and Related Documents. Within the time set forth in the Schedule of Performance, the Developer shall prepare and submit to the City and the Authority, construction drawings, landscape plans, and related documents required for the development of the Authority Parcel in accordance with this Agreement.

(a) Submission of Development Plans, Construction Drawings and Related Documents. The Developer shall prepare and submit development plans, construction drawings, landscape plans, and other plans and documents required to be submitted for City or Authority approval (referred to individually as “Development Plan” and collectively as “Development Plans”) for the construction of the Developer Improvements consistent with the Scope of Development, to the City and the Authority for review (including, but not limited to, architectural review of the exterior of structures) and written approval in accordance with the Schedule of Performance; provided, however, that the Authority shall not have the right or responsibility to approve Development Plans, for purposes of the issuance of a building permits or otherwise on behalf of the City, but shall only have the right of review and approval of the Development Plans for purposes of (a) architecture and design of structures and the overall development of the Authority Parcel and (b) conformity of such Development Plans with the terms and conditions of this Agreement. The Development Plans shall be submitted in two stages--preliminary and final stages. “Final Development Plans” are hereby defined as those Development Plans which are approved by the City in a form sufficient to obtain a building permit from the City. Any such items submitted to and approved in writing by the Authority shall not be subject to subsequent disapproval by the Authority, and any such Authority approval shall not be unreasonably withheld.

During the preparation of the Development Plans for the Developer Improvements, the Authority staff and the Developer shall hold regular progress meetings to coordinate the preparation by the Developer, and the submission to and review by the City and the Authority of the same. The Authority staff and the Developer shall communicate and consult informally as frequently as is necessary to ensure that any component of the Development Plans submitted by the Developer to the City and the Authority can receive prompt and speedy consideration.

The Authority shall approve the Development Plans within the times established in the Schedule of Performance, as long as said plans, drawings, specifications and related documents are generally consistent with the Scope of Development and any other plans, drawings, specifications and related documents, which have been approved by the Authority. Upon the disapproval of any Development Plan, the Authority shall state in writing the reasons for said disapproval. The Developer, upon receipt of notice of any disapproval, shall promptly revise said disapproved portions of such Development Plans in a manner that addresses the reasons for disapproval and reasonably meets the requirements of the Authority or in order to obtain the Authority's approval thereof. The Developer shall resubmit said Development Plans to the Authority as soon as possible after its receipt of the notice of disapproval and, in any event, no later than thirty (30) calendar days thereafter. The Authority shall approve or disapprove the revised Development Plans in the same manner and within the same times as provided in this Section 4.2 for approval or disapproval of Development Plans initially submitted to the Authority.

(b) The City shall process the approval of Development Plans concurrently with the Authority's review and approval and in accordance with the ordinary procedures of the City.

(c) Changes in Final Construction Plans, Drawings, Specifications and Related Documents. In the event that the Developer desires to make any change in the Final Development Plans after their approval by the Authority and/or the City, the Developer shall submit the proposed change in writing to the Authority and/or the City for approval. The Authority shall notify the Developer of approval or disapproval thereof in writing within ten (10) calendar days after submission to the Authority. Said ten (10) calendar day period may be extended by mutual consent of the parties. Any such change shall, in any event, be deemed to be rejected by the Authority unless approved, in whole or in part, by written notice thereof submitted by the Authority to the Developer, setting forth in detail the reasons therefor. Nothing herein shall entitle the Developer to any extension of the time set forth in the Schedule of Performance for the commencement of construction or the completion thereof, unless the Authority Executive Director otherwise agrees to such extension in writing and except as provided for in Section 7.2.

The Developer, upon receipt of a notice of disapproval by the Authority and/or the City, may revise such parts of the proposed change in final construction plans, drawings, specifications and related documents as are rejected and shall thereafter resubmit said revisions to the Authority and/or the City for approval in the manner provided in this Section 4.2.

4.3 Land Use Approvals. Before commencement of construction of the Developer Improvements or other works of improvement upon the Authority Parcel, Developer shall, at its own expense, secure or cause to be secured any and all land use and other entitlements, permits and approvals which may be required for the Developer Improvements by the City and/or any other governmental agency affected by such construction or work. Developer shall, without limitation, apply for and secure all permits and pay all fees, except as provided in Section 2.3, required by the City, County of Los Angeles, school districts and other governmental agencies with jurisdiction over the Developer Improvements and pay all costs, charges and fees associated therewith.

4.4 Schedule of Performance/Completion of Developer Improvements. Developer shall submit the Development Plans, commence and complete all construction of the Developer Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefor in the Schedule of Performance. The Schedule of Performance is subject to revision from time-to-time as mutually agreed upon in writing by the Developer and the Authority's Executive Director and Authority's Executive Director is authorized to make such revisions as he or she deems reasonably necessary. The Developer shall complete construction of the Developer Improvements within the time frame indicated in the Schedule of Performance; provided however, in the event that the Developer is unable to obtain construction financing from a reasonably acceptable lending institution upon reasonably acceptable terms and conditions, despite the Developer's best efforts (including without limitation, Developer's timely response to requests for additional information) to obtain such financing, the Developer shall have such additional period of time to complete construction of the Developer Improvements as the Authority's Executive Director, or his/her designee, in his/her sole and absolute discretion determines.

4.5 Cost of Construction. All of the cost of planning, designing, developing and constructing all of the Developer Improvements, shall be borne solely by the Developer.

4.6 Bodily Injury and Property Damage Insurance. Prior to the commencement of construction of the Developer Improvements on the Authority Parcel and until the issuance of Certificate of Occupancy, the Developer shall obtain and maintain, or shall cause its contractor or contractors to obtain and maintain a policy of general commercial liability insurance which shall include blanket contractual coverage, and shall have limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence, and if a policy form with a general aggregate limit is used, or provided, the aggregate limit shall be not less than twice the per occurrence limit. The Authority, the City and their respective officers, employees, agents, and consultants shall be named as additional insureds under the policy. Said insurance shall cover comprehensive general liability, including, without limitation, automobile liability covering owned, nonowned and hired vehicles; contractor liability; subcontractor liability; premises-operations; explosion and collapse; and broad form property damage and personal injury. Any and all insurance policies required hereunder shall be obtained from companies rated at least "A:VI" or better in Best's Insurance Guide. All of said insurance policies shall provide that they may not be cancelled, non-renewed, reduced in coverage or amount or otherwise altered unless the Authority and the City receive written notice thereof at least thirty (30) calendar days prior to the effective date of such cancellation, reduction or alteration. Any and all insurance obtained by the Developer hereunder shall be and shall state in an endorsement that it is primary to any and

all insurance which the Authority and/or City may otherwise carry, including self insurance, which Authority and City insurance for all purposes of this Agreement shall be separate and apart from the insurance provided under this Agreement. Any and all insurance required hereunder shall be maintained and kept in force until the City has issued the Certificate of Occupancy with respect to the Developer Improvements.

The Developer shall furnish an endorsement(s) of insurance countersigned by an authorized agent of the insurance carrier on a form of the insurance carrier evidencing and/or effecting the requirements herein and/or the changes to the Developer's policy to effect such conformity and setting forth the general provisions of the insurance coverage, and an endorsement that shall name the City and the Authority and their respective officers, boards, agents, employees, and consultants as additional insureds under the policy with respect to this Agreement. The endorsement by the insurance carrier shall contain a statement of obligation on the part of the issuing agent or carrier to notify the City and the Authority of any material reduction, cancellation, or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material change, or non-renewal. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by this Section 4.6, Developer shall cause to be delivered to Authority a binder or certificate of insurance with respect to each renewal or new policy, bearing a notation evidencing payment of the premium therefor, or other proof of payment reasonably satisfactory to the Authority. In each instance of the provision of insurance, certified duplicate copies of the policy(s) or renewal policy(s), as applicable, shall be delivered to the Authority's Executive Director within thirty (30) days of the date of such policy(s).

The Developer shall also furnish or cause to be furnished to the Authority evidence satisfactory to the Authority that Developer and any contractor with whom it has contracted for the performance of work on the Authority Parcel or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law.

4.7 Developer's Indemnity. The Developer shall defend, indemnify, assume all responsibility for, and hold the Authority and the City, and their representatives, volunteers, officers, employees, agents, and consultants harmless from, all claims, demands, damages, defense costs or liability of any kind or nature relating to any damages to property or injuries to persons, including accidental death (including attorneys fees and costs), which are in full or in part caused by or arise directly or indirectly out of any acts or omissions of the Developer's activities in connection with the Authority Parcel under this Agreement, whether such activities or performance thereof be by the Developer or by anyone directly or indirectly employed or contracted with by the Developer and whether such damage shall accrue or be discovered before or after termination of this Agreement.

4.8 Rights of Access. Representatives of the Authority shall have the right of access to the Authority Parcel, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Developer Improvements so long as Authority representatives comply with all safety rules.

4.9 Compliance With Laws. The Developer shall carry out the design and construction of the Developer Improvements in conformity with all applicable Governmental Requirements.

(a) Nondiscrimination in Employment. The Developer certifies and agrees that (i) all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies, and (ii) all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with all applicable Governmental Requirements, including Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sections 2000, et seq., the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Sections 621, et seq., the Immigration Reform and Control Act of 1986, 8 U.S.C. Sections 1324b, et seq., 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, California Government Code Sections 12900, et seq., the California Equal Pay Law, California Labor Code Sections 1197.5, California Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Sections 12101, et seq., and all other anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended. The Developer shall allow representatives of the Authority access to its employment records related to this Agreement during regular business hours to verify compliance with these provisions, when so requested by the Authority, unless access to such employment records is otherwise prohibited by law.

(b) Standards. Developer shall carry out the design and construction of the improvements to the Site in a timely manner and in conformity with all applicable laws, including but not limited to all applicable state labor and work safety laws and regulations, including the provisions of Labor Code Sections 1770, et seq. relating to prevailing wages, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Sections 12101, et seq., California Government Code Section 4450, et seq., California Government Code Sections 11135, et seq., and the Unruh Civil Rights Act, California Civil Code Sections 51, et seq. to the extent applicable to the improvements to the Site as to which the City makes no representations. Developer agrees to hold the City and the Authority harmless and to indemnify and defend the City and the Authority from any claims arising under the provisions of Labor Code §§ 1720, et seq., including, but not limited to, the provisions of Labor Code Section 1726 and 1781. Developer expressly waives any rights it may have under Labor Code Sections 1726 or 1782. It shall be the sole responsibility of the Developer to determine the applicability of such laws to the Developer Improvements.

(c) Taxes and Assessments. The Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Authority Parcel. The Developer shall remove or have removed any levy or attachment made on any of the Authority Parcel, or any part thereof, or assure the satisfaction thereof within a reasonable time.

4.10 Financing of the Developer Improvements.

(a) Approval of Financing. As required herein and as an Authority Condition Precedent to the Closing, Developer shall submit to Authority evidence that Developer has obtained sufficient equity capital or has obtained firm and binding commitments for construction and permanent financing necessary to undertake and complete the development of the Authority Parcel and the construction of the Developer Improvements in accordance with this Agreement. The Authority shall approve or disapprove such evidence of financing commitments within thirty (30) days of receipt of a complete submission. Such Authority approval shall not be unreasonably withheld or conditioned or delayed; provided that if financing is to be through a loan and not equity capital, the loan shall not exceed the cost to construct the Developer Improvements (or in the case of a permanent loan, the outstanding amount of the construction loan) and shall be made by a lender which the Authority may approve at its reasonable discretion. If Authority shall disapprove any such evidence of financing, Authority shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly obtain and submit to Authority new evidence of financing. Authority shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 4.10 for the approval or disapproval of the evidence of financing as initially submitted to Authority. Developer shall close the approved financing prior to or concurrently with the Closing.

Such evidence of financing shall include the following: (a) a copy of a legally binding, firm and enforceable loan commitment(s) obtained by Developer from one or more financial institutions for the mortgage loan or loans for financing to fund the construction, completion, operation and maintenance of the Developer Improvements, subject to such lenders' reasonable, customary and normal conditions and terms, and/or (b) a certification from the chief financial officer of Developer that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and/or (c) other documentation satisfactory to the Authority as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference between the total cost of the construction and completion of the Developer Improvements, less financing authorized by those loans set forth in (a) above and approved by the Authority.

(b) No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease-Back for Development. With the exception of Developer's Financing, mortgages, deeds of trust and sales and leases-back of the Authority Parcel may be permitted before completion of the construction of the Developer Improvements with the Authority's prior written approval, which shall not be unreasonably withheld or delayed, but only for the purpose of securing loans of funds to be used for financing the construction of the Developer Improvements; permanent financing; and any other purposes necessary and appropriate in connection with development under this Agreement. The Developer shall notify the Authority in advance of any mortgage, deed of trust or sale and lease-back financing, if the Developer proposes to enter into the same before completion of the construction of the Developer Improvements. The words "mortgage" and "trust deed" as used hereinafter shall include sale and lease-back. Developer shall not enter into any such conveyance for financing without the prior written approval of the Authority, and any attempt to convey the Authority Parcel or portion thereof for financing without Authority approval and shall not result in the transfer of any interest in the Authority Parcel.

(c) Holder Not Obligated to Construct Improvements. The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the Developer Improvements or any portion thereof, or to guarantee such construction or completion; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Authority Parcel to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

(d) Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by the Developer as provided herein, whenever the Authority delivers any Default Notice or demand to the Developer with respect to any breach or default by the Developer, including with respect to the completion of construction of the Developer Improvements, the Authority shall deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand if the Developer fails to cure the Default within the time set forth in Section 6.1 hereof. Each such holder shall (insofar as the rights granted by the Authority are concerned) have the right, at its option, within sixty (60) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Developer Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to the Authority by written agreement reasonably satisfactory to the Authority. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates. It is understood that a holder shall be deemed to have satisfied the sixty (60) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Authority Parcel (or portion thereof) if and to the extent any such holder has within such sixty (60) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default.

(e) Failure of Holder to Complete Improvements. In any case where, thirty (30) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Authority Parcel or any part thereof receives a notice from the Authority of a default by the Developer in completion of construction of any of the Developer Improvements under this Agreement, and such holder has not exercised the option to construct as set forth in Section 4.10(d), or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, the Authority may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Authority Parcel or any part thereof has vested in the holder, the Authority, if it so desires, shall be entitled to a conveyance from the holder to the Authority of the Authority Parcel, free of the lien of such mortgage or deed of trust upon payment to the holder of an amount equal to the sum of the following:

(1) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

(2) All expenses with respect to foreclosure including reasonable attorneys' fees;

(3) The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Authority Parcel or part thereof;

(4) The costs of any improvements made by such holder;

(5) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Authority; and

(6) Any customary prepayment charges legally imposed by the lender pursuant to its loan documents and agreed to by the Developer.

(f) Right of the Authority to Cure Mortgage or Deed of Trust Default.

In the event of a mortgage or deed of trust default or breach by the Developer prior to the completion of construction of the Developer Improvements or any part thereof, Developer shall immediately deliver to Authority a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, the Authority shall have the right but no obligation to cure the default. In such event, the Authority shall be entitled to reimbursement from the Developer of all proper costs and expenses incurred by the Authority in curing such default. The Authority shall also be entitled to a lien upon the Authority Parcel to the extent of such costs and disbursements. Any such lien shall be junior and subordinate to the mortgages or deeds of trust pursuant to this Section 4.10.

5. USE OF THE AUTHORITY PARCEL

5.1 Affordable Housing.

(a) Number of Units. As set forth in Section 4.1 of this Agreement and the Scope of Development, the Developer shall construct fifty-one (51) residential units on the Authority Parcel. Fifty (50) of the residential units will be designated for and occupied at Affordable Rents by Qualified Residents with Gross Incomes not more than 30% of the Area Median Income adjusted for family size.

(b) Period of Affordability. During the entire term of the Affordability Period, Developer agrees to make available, restrict occupancy to, and rent fifty (50) of the units to Qualified Residents at Affordable Rents. In addition to any requirements of the City Code, Developer agrees to comply with the provisions of California Health and Safety Code Section 33413 through Section 33418 to the extent necessary to enable the Authority to count the units for purposes of meeting the requirements of Section 33413 of the California Health and Safety

Code. During the Affordability Period Developer shall provide information reasonably required by Authority to satisfy its reporting obligations under the applicable law. The “Affordability Period” means the period beginning upon the first day of the first full month following the date on which the first unit in the Project is occupied and ending on the last day of the 660th month thereafter.

(c) Annual Reports. During the Affordability Period, Developer, at its expense, shall submit to the Authority the reports required pursuant to Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by the Authority. Each annual report shall cover the immediately preceding calendar year.

5.2 Uses. The Developer covenants and agrees to devote, use, develop, operate and maintain the Authority Parcel in accordance with the Redevelopment Plan, the Authority Parcel Grant Deed, the CC&Rs and this Agreement. All uses conducted on the Authority Parcel, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to the Redevelopment Plan, all applicable provisions of the City Code, and the recorded documents pertaining to and running with the Authority Parcel.

5.3 Nondiscrimination. The Developer by and for itself and any successors in interest covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Authority Parcel, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Authority Parcel. The foregoing covenants shall run with the land.

All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) *In deeds:* “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”

(b) *In leases:* “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or

through him or her, and this lease is made and accepted upon and subject to the following conditions:

“There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, ancestry or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.”

(c) *In contracts:* “There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, ancestry or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

5.4 Effect of Violation of the Terms and Provisions of this Agreement After Certificate of Occupancy Issued and Developer’s Financing Converts to Permanent Financing.

This Agreement shall terminate and be of no further force and effect upon (i) the issuance of the Certificate of Occupancy and (ii) the conversion of Developer’s Financing to Permanent Financing; provided however, that such termination shall not be construed so as to terminate or modify the following provisions of this Agreement, which shall remain in full force and effect in accordance with their terms:

- (a) any and all the provisions of the CC&R’s;
- (b) the representations and warranties as set forth in Section 1.2;
- (c) the indemnity provisions set forth in Section 3 and all other indemnification provisions in this Agreement which shall remain in effect for such period and subject to the terms and conditions set forth herein;
- (d) Article 6 relating to Defaults and Remedies which shall remain in effect to the extent necessary to enforce the provisions of this Agreement that survive, set forth in this Section 5.4, or to remedy defaults discovered after the termination of this Agreement.

5.5. Maintenance of the Property. The Developer shall maintain or cause to be maintained the interiors and exteriors of the Property in a decent, safe and sanitary manner, in accordance with the standard of maintenance of similar housing units within the City, and in accordance with the maintenance standards that are set forth in the CC&R’s. None of the dwelling units in the Property shall at any time be utilized on a transient basis nor shall the

Property or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home. The Developer shall not convert the Property to condominium ownership without the prior written approval of the Authority, which approval the Authority may grant, withhold or deny in its sole and absolute discretion. If at any time Developer fails to maintain the Property in accordance with this Agreement or the CC&R's and Developer does not correct or commence to correct such condition is not corrected within ten (10) days after written notice from the Authority with respect to graffiti, debris, waste material, and general maintenance, or thirty days after written notice from the Authority with respect to landscaping and building improvements, then the Authority, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Property and perform all acts and work reasonably necessary to protect, maintain, and preserve the Improvements and landscaped areas on the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Authority and/or costs of such cure, including a ten percent (10%) administrative charge, which amount shall be promptly paid by Developer to the Authority upon demand. Pursuant to the CC&R's, the foregoing covenants shall run with the land for the term of the Affordability Period.

5.6. Long Term Management of the Property. The parties acknowledge that the Authority is interested in the long-term management and operation of the Property and in the qualifications of any person or entity retained by the Developer for that purpose (the "Property Manager"). The Authority may from time to time review and evaluate the identity and performance of the Property Manager of the Property and the Property Manager's compliance with the provisions of this Agreement and the CC&R's. If the Authority reasonably determines that the performance of the Property Manager is deficient based upon the standards and requirements set forth in this Agreement and the CC&R's, the Authority shall provide written notice to the Developer of such deficiencies and the Developer shall use its best efforts to correct or cause to be corrected such deficiencies. Upon Default of the terms of this Agreement or the CC&R's by the Property Manager, the Authority shall have the right to require the Developer to immediately remove and replace the Property Manager with another property manager or property management company reasonably acceptable to the Authority. Such Property Manager shall be experienced in managing multifamily residential developments similar to the Project and may be related to or affiliated with the Developer. Pursuant to the CC&R's, the foregoing covenants shall run with the land for the term of the Affordability Period.

6. DEFAULTS AND REMEDIES

6.1 Default Remedies. Subject to the extensions of time set forth in Section 7.2 of this Agreement, failure by either party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" under this Agreement. A party claiming a Default (the "Claimant") shall give written notice to the other party specifying the alleged grounds for the Default (the "Default Notice"). Except as otherwise expressly provided in this Agreement, the Claimant shall not institute any proceeding against any other party and the other party shall not be in Default if such party within thirty (30) days from receipt of the notice required by this Section 6.1 immediately, with due diligence, commences to cure, correct or remedy such failure or delay and shall diligently pursue such cure, correction, or remedy to completion.

6.2 Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, either party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, or to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in an appropriate municipal court in that county, or in the United States District Court for the Central District of California.

6.3 Termination by Developer. In the event that the Developer is not in default under this Agreement and Authority does not tender title to the Authority Parcel in the manner and condition and by the date provided in this Agreement, or in the event that one or more of Developer's Conditions Precedent to the Closing is not fulfilled or waived and such failure is caused by the Authority's default, or in the event of any default of Authority prior to the Closing which is not cured within the time set forth in Section 6.1 hereof, and any such failure is not cured within the applicable time period after written demand by the Developer, then this Agreement may, at the option of the Developer, be terminated by written notice thereof to Authority. From the date of the written notice of termination of this Agreement by the Developer to Authority and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties, except that Developer may pursue any remedies it has hereunder.

6.4 Termination by Authority.

(a) Termination by Authority Prior to Closing. In the event that the Authority is not in default under this Agreement and Developer does not fully perform its obligations hereunder in the manner and by the dates provided in this Agreement, or in the event that one or more of Authority's Conditions Precedent to the Closing is not fulfilled or waived and such failure is caused by the Developer's default, or in the event of any other default of Developer prior to the Closing which is not cured within the time set forth in Section 6.1 hereof, and any such failure is not cured within the applicable time period after written demand by the Authority, then this Agreement may, at the option of the Authority, be terminated by written notice thereof to Developer. From the date of the written notice of termination of this Agreement by the Authority to the Developer and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties, except that the Authority may pursue any remedies it has hereunder.

(b) Termination by Authority After Closing Date. In the event that Authority is not in Default under this Agreement and prior to both (i) the issuance of the Certificate of Occupancy and (ii) the conversion of Developer's Financing to Permanent Financing:

(1) Developer (or any successor in interest) assigns or attempts to assign the Agreement or any rights therein or in the Authority Parcel in violation of this Agreement; or

(2) Developer is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 6.1 hereof; then this Agreement and

any rights of Developer or any assignee or transferee with respect to or arising out of the Agreement or the Authority Parcel, shall, at the option of the Authority, be terminated by the Authority by written notice thereof to the Developer. From the date of the written notice of termination of this Agreement by the Authority to the Developer and thereafter this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties, except that Authority may pursue any remedies it has hereunder.

6.5 Reentry and Revesting of Title in Authority After the Conveyance and Prior to Completion of Construction. Authority has the right, at its election, to reenter and take possession of the Authority Parcel, with all improvements thereon, and terminate and revest in Authority the estate conveyed to Developer if, after the Closing, but prior to both (i) the issuance of the Certificate of Occupancy and (ii) the conversion of Developer's Financing to Permanent Financing, Developer (or its successors in interest) shall:

(a) Fail to start the construction of the Developer Improvements as required by this Agreement for a period of sixty (60) days after written notice thereof from the Authority for reasons other than those specified in Section 7.2 of this Agreement; or

(b) Abandon or substantially suspend construction of the Developer Improvements required by this Agreement for a period of sixty (60) days after written notice thereof from Authority for reasons other than those specified in Section 7.2 of this Agreement; or

(c) Contrary to the provisions of Section 1.3 of this Agreement, transfer or suffer any involuntary transfer of the Authority Parcel or any part thereof in violation of this Agreement and fail to cure such violation within thirty (30) days after written notice thereof from Authority.

Such right to reenter, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid or limit any mortgage or deed of trust permitted by this Agreement; or any rights or interests provided in this Agreement for the protection of the holders of such mortgages or deeds of trust. Authority shall promptly execute and deliver any documents requested by such mortgage holder certifying that the Authority's rights under this Section 6.5 are subordinate to mortgage holder's rights.

Upon the revesting in Authority of title to the Authority Parcel as provided in this Section 6.5, Authority shall, pursuant to its responsibilities under state law, use its reasonable efforts to resell the Authority Parcel as soon and in such manner as Authority shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan, as it exists or may be amended, to a qualified and responsible party or parties (as determined by Authority) who will assume the obligation of making or completing the Developer Improvements, or such improvements in their stead as shall be satisfactory to Authority and in accordance with the uses specified for such Authority Parcel. Upon such resale of the Authority Parcel, the net proceeds thereof after repayment of any mortgage or deed of trust encumbering the Authority Parcel which is permitted by this Agreement, shall be applied:

First, to reimburse Authority, on its own behalf or on behalf of the City, all costs and expenses incurred by Authority including, but not limited to, any expenditures by Authority or

the City in connection with the recapture, management and resale of the Authority Parcel or part thereof (but less any income derived by Authority from the Authority Parcel or part thereof in connection with such management); all taxes, assessments and water or sewer charges with respect to the Authority Parcel or part thereof which Developer has not paid; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Authority Parcel or part thereof at the time or reversion of title thereto in the Authority, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Authority Parcel, or part thereof; and any amounts otherwise owing the Authority, and in the event additional proceeds are thereafter available, then

Second, to reimburse Developer, its successor or transferee, up to the amount equal to the sum of (a) the costs incurred for the acquisition and development of the Authority Parcel and for the improvements existing on the Authority Parcel at the time of the reentry and possession, less (b) any gains or income withdrawn or made by the Developer from the Authority Parcel or the improvements thereon.

Any balance remaining after such reimbursements shall be retained by the Authority as its property. The rights established in this Section 6.5 are not intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity. These rights are to be interpreted in light of the fact that the Authority will have conveyed the Authority Parcel to the Developer for redevelopment purposes, particularly for development of the Residential Units and not for speculation in undeveloped land.

6.6 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

6.7 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

6.8 Authority's Notice of Default to Alliant. The Authority agrees that, notwithstanding its rights to invoke the remedies permitted by or under this Agreement and/or the Authority Deed of Trust, including, but not limited to the rights of the Authority to terminate, reenter and re-vest title the Property to the Authority pursuant to Sections 6.4 and 6.5 hereof, upon the breach of any covenant or agreement by the Developer, the Authority shall not, so long as Alliant, Inc. (or one of its subsidiaries or affiliates) is an investor and/or has a continuing ownership interest in the Developer, conduct a foreclosure sale of the Authority Parcel, receive a deed-in-lieu of foreclosure or conduct foreclosure of any general partnership

interest in the Developer which has been assigned as collateral to Authority, until and unless Alliant, Inc. (or its subsidiary or affiliate, as the case may be) has first been given thirty (30) days written notice of such default and has failed, within thirty (30) day period to cure such default.

6.9 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

7. GENERAL PROVISIONS

7.1 Notices, Demands and Communications Between the Parties. Any approval, disapproval, demand, document or other notice (“Notice”) required or permitted under this Agreement must be in writing and shall be sufficiently given if delivered by hand (and a receipt therefor is obtained or is refused to be given) or dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by telecopy or overnight delivery service to:

To Authority: Lancaster Housing Authority
44933 North Fern Avenue
Lancaster, California 93534
Attention: Executive Director

To Developer: InSite Development, LLC
6265 Variel Avenue
Encino, Ca. 91367
Attention: Steve Eglash

Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 7.1.

The Authority agrees that, so long as Alliant, Inc., a Florida corporation, or its affiliates (collectively, the “Investor Limited Partner”) has a continuing ownership interest in the Developer, effective notice to the Developer under this Agreement, that certain Residential Declaration of Conditions, Covenants and Restrictions and Regulatory Agreement, and that certain Declaration of Conditions, Covenants and Restrictions for the Homeless Care Facility, each of which is being executed by the Developer in connection with the Agreement (collectively, the “Authority Documents”) shall require delivery of a copy of such notice to the Investor Limited Partner. Such notice shall be given in the manner provided in Section 7.1, at the Investor Limited Partner’s respective addresses set forth below:

Alliant Capital, Ltd.
340 Royal Poinciana Way, Suite 305
Palm Beach, Florida 334380
Attention: Shawn Horwitz
Telephone: (561)833-5795
Telecopy: (561)833-3694

with a copy to:

Alliant Asset Management Company LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attention: General Counsel
Telephone: (818)668-6800
Telecopy: (818)668-2828

7.2 Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: litigation challenging the validity of this transaction or any element thereof or the right of either party to engage in the acts and transactions contemplated by this Agreement; inability to secure necessary labor materials or tools; delays of any contractor, sub-contractor or supplier; or withdrawal of financing not caused by any act or omission of the Developer; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; unusually severe weather; acts or omissions of the other party; acts or failures to act of the City or any other public or governmental agency or entity (other than the acts or failures to act of the Authority which shall not excuse performance by the Authority); or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Executive Director of Authority and the Developer. Notwithstanding any provision of this Agreement to the contrary, the lack of funding to complete the Developer Improvements shall not constitute grounds of enforced delay pursuant to this Section 7.2.

7.3 Non-Liability of Officials and Employees of Authority and Developer. No member, official, employee, volunteer, agent, consultant, or other representative of the Authority or the City shall be personally liable to the Developer, or any successor in interest, in the event of any Default or breach by the Authority or for any amount which may become due to the Developer or its successors, or on any obligations under the terms of this Agreement.

7.4 Relationship Between Authority and Developer. It is hereby acknowledged that the relationship between the Authority and the Developer is not that of a partnership or joint venture and that the Authority and the Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided herein or in the Attachments hereto, the Authority shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Authority Parcel. Each Party agrees to indemnify, hold harmless and defend the other party from

any claim made against the other party arising from a claimed relationship of partnership or joint venture between the parties with respect to the development, operation, maintenance or management of the Authority Parcel.

7.5 Authority Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the Authority, the Executive Director of Authority or his or her designee is authorized to act on behalf of Authority unless specifically provided otherwise or the context should require otherwise.

7.6 Commencement of Authority Review Period. The time periods set forth herein for the Authority's approval of agreements, plans, drawings, or other information submitted to the Authority by the Developer and for any other Authority consideration and approval hereunder which is contingent upon documentation required to be submitted by the Developer shall only apply and commence upon the Developer's complete submittal of all the required information. In no event shall an incomplete submittal by the Developer trigger any of the Authority's obligations of review and/or approval hereunder; provided, however, that the Authority shall notify the Developer of an incomplete submittal as soon as is practicable and in no event later than ten (10) days of Developer's submittal.

7.7 Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. This Agreement is executed in four (4) originals, each of which is deemed to be an original.

7.8 Integration. This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. This Agreement, including attachments hereto, constitute the entire understanding and agreement of the parties, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof..

7.9 Attorneys' Fees. In any action between the parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees and expert witness fees. Costs recoverable for enforcement of any judgment shall be deemed to include reasonable attorneys' fees.

7.10 Administration. This Agreement shall be administered and executed by the Authority's Executive Director, or his designated representative, following approval of this Agreement by the Authority. The Authority shall maintain authority of this Agreement through the Executive Director of the Authority (or his authorized representative). The Executive Director shall have the authority to issue interpretations, waive provisions and enter into amendments of this Agreement on behalf of the Authority so long as such actions do not

substantially change the uses or development permitted on the Authority Parcel, or add to the costs to the Authority as specified herein as agreed to by the Authority Board, and such amendments may include extensions of time specified in the Schedule of Performance. All other waivers or amendments shall require the written consent of the Authority Board.

7.11 Amendments of Agreement. The Developer and the Authority agree to mutually consider reasonable requests for amendments to this Agreement. Each party shall be responsible for its own costs incurred, including attorneys' fees, in connection with any amendments to this Agreement which are requested by the Developer.

7.12 Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

7.13 Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

7.14 No Waiver. A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

7.15 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

7.16 Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

7.17 Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens) and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

7.18 Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

7.19 Time of Essence. Time is expressly made of the essence with respect to the performance by the Authority and the Developer of each and every obligation and condition of this Agreement.

7.20 Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

7.21 Conflicts of Interest. No member, official or employee of Authority shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

7.22 Approval and Execution. After the execution of this Agreement by the Developer and the prompt delivery of this Agreement thereafter by the Developer to the Authority, this Agreement must be approved and executed by the Authority and delivered by the Authority to the Developer within sixty (60) calendar days after the date of submission of the Agreement by the Developer to the Authority in order for the Agreement to become effective. In the event that the Authority has not approved, executed and delivered the Agreement to the Developer within said period, this Agreement shall be deemed to be of no further force or effect unless the time for said approval, execution and delivery is extended by written notice from the Developer to the Authority.

7.23 Recordation of Memorandum of Agreement. The parties agree to permit the recordation of the Memorandum of Agreement against the Authority Parcel in the Office of the Recorder for the County of Los Angeles, California.

7.24 Authority. The persons signing this Agreement represent and warrant that they are authorized to execute and deliver this Agreement and that this Agreement will thereby become binding on the party for whom such person has signed.

7.25 Commissions. Authority and Developer represent and warrant to each other that they have not dealt with any party that may be entitled to a finder's fee or commission for this transaction and that no commission will be paid to any party or parties. Authority and Developer each agrees to pay and protect, indemnify, defend and hold harmless the other from

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

INSITE DEVELOPMENT, LLC,
a California Limited Liability Company

By: InSite Development, LLC,
a California Limited Liability company
Co-General Partner

By: Steve Eglash
Steve Eglash

Dated: _____

LANCASTER HOUSING AUTHORITY, a
public body corporate and politic

Dated: _____

By: _____
Executive Director

APPROVED AS TO FORM:

Elizabeth Brubaker
Elizabeth Brubaker
Deputy Executive Director

ATTEST:

Britt Avrit, CMC
Authority Secretary

APPROVED AS TO FORM:

Allison E. Burns, Esq.
Stradling Yocca Carlson & Rauth
Authority Counsel

and against all liability, damages, attorneys' fees, court costs and expenses from causes of action, suits, claims, demands and judgments of any nature whatsoever arising out of or in any way connected with its dealings with any real estate brokers or others pertaining to this transaction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ATTACHMENT NO. 1

AUTHORITY PARCEL LEGAL DESCRIPTION

PARCEL A:

PARCELS 3 AND 4 OF THE PARCEL MAP NO. 14561, BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

AN EASEMENT WHICH IS HEREBY GRANTED AND DEDICATED TO THE CITY OF LANCASTER FOR PUBLIC ROAD, HIGHWAY, AND UTILITY PURPOSES OVER AND IN THE REAL PROPERTY WHICH LIES IN A PORTION OF PARCELS 3 AND 4 OF PARCEL MAP NO. 14651, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER SAID MAP RECORDED IN BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 3 OF SAID PARCEL MAP 14651; THENCE NORTH $89^{\circ} 57' 24''$ EAST, COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF WEST AVENUE I, 1,255.63 FEET TO THE BEGINNING OF A 27 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $89^{\circ} 50' 04''$, AN ARC DISTANCE OF 42.33 FEET TO A POINT THAT IS 50 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE NORTH $00^{\circ} 07' 20''$ EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF WAY LINE OF 30TH STREET WEST, 643.22 FEET; THENCE SOUTH $03^{\circ} 33' 21''$ WEST, 300.54 FEET TO A POINT THAT IS 68 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE SOUTH $00^{\circ} 07' 20''$ WEST, PARALLEL WITH THE CENTERLINE OF 30TH STREET WEST, 296.32 FEET TO THE BEGINNING OF A 42 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $89^{\circ} 50' 04''$, AN ARC DISTANCE OF 65.85 FEET TO A POINT THAT IS 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH $89^{\circ} 57' 24''$ WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I, 290.36 FEET; THENCE SOUTH $88^{\circ} 11' 39''$ WEST, 715.34 FEET TO A POINT THAT IS 60 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH $89^{\circ} 57' 24''$ WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I; 217.40 FEET TO THE EASTERLY LINE OF DEED RECORDED OCTOBER 31, 1979 AS INSTRUMENT NO. 79-1221936; THENCE SOUTH $00^{\circ} 00' 31''$ WEST, 10 FEET TO THE POINT OF BEGINNING.

CONTAINS 617,562.86 SQUARE FEET OR 14.18 ACRES.

ATTACHMENT NO. 2

AUTHORITY PARCEL GRANT DEED

RECORDING REQUESTED BY AND)
WHEN RECORDED MAIL TO:)
)
InSite Development, LLC)
17207 Ventura Blvd., #2)
Encino, California 91316)
Attn: Scott Williams)

(Space above for recorder's use only)
No recording fee pursuant to Government Code Section 6103
and 27383

For valuable consideration, receipt of which is hereby acknowledged, **The LANCASTER HOUSING AUTHORITY**, a public body, corporate and politic (the "Grantor"), hereby grants to **INSITE DEVELOPMENT, LLC**, a California Limited Liability Company (the "Grantee"), the real property hereinafter referred to as the "Authority Parcel," described in Exhibit A attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants of record described there.

1. Grantor excepts and reserves from the conveyance herein described all interest of Grantor in oil, gas, hydrocarbon substances and minerals of every kind and character lying more than five hundred (500) feet below the surface, together with the right to drill into, through and to use and occupy all parts of the Authority Parcel lying more than five hundred (500) feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from said Authority Parcel or other lands, but without, however, any right to use either the surface of the Authority Parcel or any portion thereof within five hundred (500) feet of the surface for any purpose or purposes whatsoever, or to use the Authority Parcel in such a manner as to create a disturbance to the use or enjoyment of the Authority Parcel.

2. Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Authority Parcel, nor shall Grantee itself, or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Authority Parcel.

Grantee shall refrain from restricting the rental, sale or lease of the Authority Parcel on the basis of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”

(b) In contracts entered into relating to the sale, transfer or leasing of the Authority Parcel or any interest therein: “There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, handicap, ancestry or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

3. Grantor and Grantee entered into that certain Disposition and Development Agreement dated _____, 2017, (“Agreement”) a copy of which is on file with Grantor at its offices as public record. All terms used herein that are not otherwise defined, shall have the same meaning as those used in the Agreement. Pursuant to the Agreement, Authority has the right, at its election, to reenter and take possession of the Authority Parcel, with all improvements thereon, and terminate and revest in Authority the estate conveyed to Developer if, after the Closing, but prior to the issuance of the Certificate of Occupancy for the Project, Developer (or its successors in interest) shall:

(a) Fail to start the construction of the Developer Improvements as required by this Agreement for a period of sixty (60) days after written notice thereof from the Authority for reasons other than those specified in Section 7.2 of the Agreement; or

(b) Abandon or substantially suspend construction of the Developer Improvements required by this Agreement for a period of sixty (60) days after written notice thereof from Authority for reasons other than those specified in Section 7.2 of the Agreement; or

(c) Transfer or suffer any involuntary transfer of the Authority Parcel or any part thereof in violation of the Agreement or in a manner contrary to the provisions of Section 1.3 of the Agreement and fail to cure such violation within thirty (30) days after written notice thereof from Authority.

Such right to reenter, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid or limit:

(A) Any mortgage or deed of trust permitted by the Agreement; or

(B) Any rights or interests provided in the Agreement for the protection of the holders of such mortgages or deeds of trust.

Authority shall promptly execute and deliver any documents requested by such mortgage holders certifying that the Authority's rights under this Section 3 are subordinate to mortgage holder's rights.

Upon the revesting in Authority of title to the Authority Parcel as provided herein, Authority shall, pursuant to its responsibilities under state law, use its reasonable efforts to resell the Authority Parcel as soon and in such manner as Authority shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan, as it exists or may be amended, to a qualified and responsible party or parties (as determined by Authority) who will assume the obligation of making or completing the Developer Improvements, or such improvements in their stead as shall be satisfactory to Authority and in accordance with the uses specified for such Authority Parcel or part thereof in the Redevelopment Plan. Upon such resale of the Authority Parcel, the net proceeds thereof after repayment of any mortgage or deed of trust encumbering the Authority Parcel which is permitted by this Agreement, shall be applied:

(i) First, to reimburse Authority, on its own behalf or on behalf of the City, all costs and expenses incurred by Authority, excluding City and Authority staff costs, but specifically, including, but not limited to, any expenditures by Authority or the City in connection with the recapture, management and resale of the Authority Parcel or part thereof (but less any income derived by Authority from the Authority Parcel or part thereof in connection with such management); all taxes, assessments and water or sewer charges with respect to the Authority Parcel or part thereof which Developer has not paid; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Authority Parcel or part thereof at the time or revesting of title thereto in the Authority, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Authority Parcel, or part thereof; and any amounts otherwise owing the Authority, and in the event additional proceeds are thereafter available, then

(ii) Second, to reimburse Developer, its successor or transferee, up to the amount equal to the sum of (a) the costs incurred for the acquisition and development of the Authority Parcel and for the improvements existing on the Authority Parcel at the time of the reentry and possession, less (b) any gains or income withdrawn or made by the Developer from the Authority Parcel or the improvements thereon.

Any balance remaining after such reimbursements shall be retained by the Authority as its property. The rights established hereunder are not intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity. These rights are to be interpreted in light of the fact that the Authority will have conveyed the Authority Parcel to the Developer for redevelopment

purposes, particularly for development of the Residential Units and not for speculation in undeveloped land.

4. All covenants contained in this Authority Parcel Grant Deed other than Paragraph 3 shall be covenants running with the land and shall remain in effect in perpetuity.

5. All covenants without regard to technical classification or designation shall be binding for the benefit of Grantor, and such covenants shall run in favor of Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

GRANTOR:

THE LANCASTER HOUSING AUTHORITY, a
public body corporate and politic

By: _____
Executive Director

GRANTEE:

INSITE DEVELOPMENT, LLC,
a California Limited Liability Company

By: InSite Development, LLC,
a California Limited Liability company
Co-General Partner

Dated: _____

By: _____
Steve Eglash

EXHIBIT "A"
TO ATTACHMENT NO. 2

AUTHORITY PARCEL LEGAL DESCRIPTION

PARCEL A:

PARCELS 3 AND 4 OF THE PARCEL MAP NO. 14561, BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

AN EASEMENT WHICH IS HEREBY GRANTED AND DEDICATED TO THE CITY OF LANCASTER FOR PUBLIC ROAD, HIGHWAY, AND UTILITY PURPOSES OVER AND IN THE REAL PROPERTY WHICH LIES IN A PORTION OF PARCELS 3 AND 4 OF PARCEL MAP NO. 14651, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER SAID MAP RECORDED IN BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 3 OF SAID PARCEL MAP 14651; THENCE NORTH 89° 57' 24" EAST, COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF WEST AVENUE I, 1,255.63 FEET TO THE BEGINNING OF A 27 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 42.33 FEET TO A POINT THAT IS 50 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF-WAY LINE OF 30TH STREET WEST, 643.22 FEET; THENCE SOUTH 03° 33' 21" WEST, 300.54 FEET TO A POINT THAT IS 68 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30TH STREET WEST, 296.32 FEET TO THE BEGINNING OF A 42 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 65.85 FEET TO A POINT THAT IS 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I, 290.36 FEET; THENCE SOUTH 88° 11' 39" WEST, 715.34 FEET TO A POINT THAT IS 60 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I; 217.40 FEET TO THE EASTERLY LINE OF DEED RECORDED OCTOBER 31, 1979 AS INSTRUMENT NO. 79-1221936; THENCE SOUTH 00° 00' 31" WEST, 10 FEET TO THE POINT OF BEGINNING

CONTAINS 617,562.86 SQUARE FEET OR 14.18 ACRES.

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

1. Opening of Escrow. The parties shall open escrow with the Escrow Agent. Within ten (10) days from the Date of this Agreement.
2. Documentation of Exceptions to Title. Authority shall cause delivery to the Developer of the Title Reports and legible copies of the documents underlying the exceptions set forth in the Title Reports. Within ten (10) days after the Opening of Escrow.
3. Approval/Disapproval of Exceptions. Developer shall provide written notification of Developer's approval or disapproval of the exceptions set forth in the Title Reports. Within twenty (20) days after receipt of the Title Reports and legible copies of the documents underlying the exceptions set forth in the Title Reports.
4. Removal of Disapproved Exceptions. If provided with written notification of the other party's disapproval of exception(s) set forth in the Title Reports, each party may cause such disapproved exception(s) to be removed or provide reasonable assurances that such exception(s) will be removed on or before the Closing. Within fifteen (15) days after receiving written notice of disapproval.
5. Submittal of Development Plans. Developer shall submit Development Plans to the City and the Authority. Within (30) days after the City of Lancaster receives notification from Community Development Commission of the County of Los Angeles, conditionally reserving Affordable Multifamily Rental Housing funding for the Affordable Multifamily Rental Housing Application.
6. Consideration of Development Plans by Authority. Authority shall approve or disapprove Development Plans. Within thirty (30) days of submittal by the Developer.
7. Submittal of Revised Development Plans. Developer submits revised Development Plans to the City and the Authority. Within thirty (30) days of disapproval by the City and/or the Authority.
8. Submittal of Final Development Plans. Developer shall submit Final Development Plans to the City and Authority. Within thirty (30) days after Submittal of revised Development Plans.

- | | |
|---|--|
| 9. Submittal of Certificates of Insurance. Developer shall furnish all certificates of insurance as required pursuant to Section 4.6 of the Agreement. | Upon request by Authority and prior to commencement of construction of the Developer Improvements. |
| 10. Close of Escrow. The Escrow for the conveyance of the Authority Parcel to the Developer. | Within thirty (30) days of the parties' satisfaction of all of Authority's and the Developer's conditions precedent following, but no later than ninety (90) days following the allocation of CDLAC Bonds. |
| 11. Commencement of Construction of Developer Improvements. Developer shall begin construction of the Developer Improvements as described in the Scope of Development (Attachment No. 4). | Within ninety (90) days following the Closing Date. |
| 12. Completion of Construction of Developer Improvements. Developer shall complete the Developer Improvements. | Within eighteen (18) months of the start of construction, but in no event later than two years (24 months) of the Date of Agreement. |
| 13. Obtain Certificate of Occupancy from City. | Upon completion of Developer Improvements. |

It is understood that the foregoing Schedule of Performance is subject to all of the terms and conditions set forth in the text of this Agreement. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any inconsistency between this Schedule of Performance and the text of this Agreement, the text shall govern.

The time periods set forth herein for the Authority's approval of plans and drawings, and other submittals, submitted to the Authority by the Developer shall only apply and commence upon the Developer's complete submittal of all the required information. In no event shall an incomplete submittal by the Developer trigger any of the Authority's obligations of review and/or approval hereunder; provided, however, that the Authority shall notify the Developer of an incomplete submittal as soon as is practicable and in no event later than the applicable time set forth for the Authority's action on the particular item in question.

ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

1. Developer to build fifty-one (51) residential apartment complex on the Authority Parcel.
2. Developer to build Homeless Care Facility comprised of one hundred (100) mini temporary homes fifteen thousand (15,000) square feet; five (5) shelters twenty thousand (20,000) square foot; medical building four thousand five hundred (4,500) square feet; service provider offices four (4,000) square feet; and other service buildings eighteen thousand (18,000) square feet.
2. Developer to be responsible for utilities connections.
3. Developer to be responsible for paving all streets on Authority Parcel.
4. Developer to provide labor and material bond for any work performed within City's right-of-way.

ATTACHMENT NO. 5

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Lancaster Housing Authority)
44933 N. Fern Avenue)
Lancaster, California 93534)
Attention: Executive Director)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

**RESIDENTIAL DECLARATION OF CONDITIONS, COVENANTS
AND RESTRICTIONS AND REGULATORY AGREEMENT**

THIS RESIDENTIAL DECLARATION OF CONDITIONS, COVENANTS, AND RESTRICTIONS AND REGULATORY AGREEMENT (the "Declaration") is made by INSITE DEVELOPMENT, LLC, a California Limited Liability Company (the "Covenanter"), as of this _____ day of _____, 2017.

RECITALS

A. As of the date hereof the Covenanter is the fee owner of record of that certain Authority Parcel (the "Property") located in the City of Lancaster, County of Los Angeles, State of California, legally described in the attached Exhibit "A". The Property is the subject of a Disposition and Development Agreement dated _____, 2017, (the "Agreement") entered into by and between the Lancaster Housing Authority (the "Covenantee") and Covenanter, a copy of which is on file with the Covenantee as a public record. Pursuant to the Agreement, the Covenanter is required to execute this Declaration, which has been or shall be recorded among the official land records of the County of Los Angeles.

B. The Agreement provides for the execution and recordation of this document.

NOW, THEREFORE, THE COVENANTER HEREBY DECLARES AS FOLLOWS:

Capitalized terms used herein shall have the following set forth below:

"Affordability Period" is defined in Section 1(b) hereof.

"Affordable Rents" shall have the meaning set forth in Health and Safety Code Section 50053, as in effect of the date hereof, as calculated for very low income households and for lower income households.

“Authority” means the Lancaster Housing Authority, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the California Housing Authorities Law, and any assignee of or successor to its rights, powers and responsibilities.

“Authority Parcel” means that certain unimproved and vacant real property, which is more particularly described in Exhibit “A” attached hereto and to be improved with the Developer Improvements.

“Area Median Income” shall mean the area medium income for Los Angeles County, California, adjusted for household size, as determine pursuant to Health and Safety Code Section 50093.

“Certificate of Occupancy” shall mean the certificate issued by the official in the City’s Building Department with authority over such issuance subsequent to the approval of the Developer Improvements.

“Default” means the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following thirty (30) days notice and opportunity to cure.

“Developer Improvements” means the improvements related to the construction of fifty-one (51) Residential Unit apartment complex and approximately 61,500 square foot Homeless Care Facility for homeless individuals and families.

“Gross Income” shall mean the gross income of a household or family calculated in accordance with Section 6914 of Title 25 of the California Code of Regulations.

“Project” means fifty-one (51) Residential Units developed as part of the Developer Improvements for occupancy by very low income households, lower income households and moderate income households at Affordable Rents.

“Property” means and refers to the Authority Parcel.

“Qualified Resident” means a person or household whose Gross Income is equal to or less than the income limits specified in Section 1(a).

“Residential Units” shall mean the fifty-one (51) housing units to be constructed by the Developer on the Authority Parcel.

1. Affordable Housing

Qualified Tenants. The Covenanter shall construct fifty-one (51) residential units on the Authority Parcel. Fifty (50) of the residential units shall be designated for and occupied at affordable rents, as follows

(a) Affordability Requirements. Fifty (50) of the residential units will be designated for and occupied at Affordable Rents by Qualified Residents with Gross Incomes not more than 30% of the Area Median Income adjusted for family size.

(b) Duration of Affordability Requirements. During the entire term of the Affordability Period, Covenanter agrees to make available, restrict occupancy to, and rent fifty (50) of the units to Qualified Residents at affordable rents as set forth in Section (a) above. In addition to any requirements of the Code, Covenanter agrees to comply with the provisions of Health and Safety Code Section 33413 through Section 33418 to the extent necessary to enable the Covenantee to count the units for purposes of meeting the requirements of Section 33413 of the Health and Safety Code. The "Affordability Period" means the period beginning upon the first day of the first full month following the date on which the first unit in the Project is occupied and ending on the last day of the 660th month thereafter.

(c) Annual Reports. Upon Covenantee's request, Covenanter, at its expense, shall submit to the Covenantee the reports required pursuant to Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by the Covenantee. Each annual report shall cover the immediately preceding fiscal year.

(d) Long Term Management of the Property. The parties acknowledge that the Covenantee is interested in the long-term management and operation of the Property and in the qualifications of any person or entity retained by the Covenanter for that purpose (the "Property Manager"). The Covenantee may from time to time review and evaluate the identity and performance of the Property Manager of the Property and the Property Manager's compliance with the provisions of this Declaration. If the Covenantee determines that the performance of the Property Manager is deficient based upon the standards and requirements set forth in this Declaration, the Covenantee shall provide notice to the Covenanter of such deficiencies and the Covenanter shall use its best efforts to correct such deficiencies. Upon Default of the terms of this Declaration by the Property Manager, the Covenantee shall have the right to require the Covenanter to immediately remove and replace the Property Manager with another property manager or property management company who is reasonably acceptable to the Covenantee, who may be related to or affiliated with the Covenanter, and who is experienced in managing multifamily residential developments.

2. Compliance with Declaration. Covenanter shall commence and complete the construction of the Property, and carry out the design, construction as evidenced by the issuance of the Certificate of Occupancy, and operation of the Project in compliance with all applicable laws, and in accordance with the Declaration.

3. Non-Discrimination Covenants. Covenanter by and for itself, its successors and assigns, and all persons claiming under or through them agrees that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Covenanter itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants,

lessees, subtenants, subleases, or vendees in the Property.

4. Maintenance of the Property. The Covenanter shall maintain or cause to be maintained the interiors and exteriors of the Property in a decent, safe and sanitary manner, in accordance with the standard of maintenance of similar housing units within the City, and in accordance with the maintenance standards which are set forth in the Declaration. None of the dwelling units on the Property shall at any time be utilized on a transient basis nor shall the Property or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home. The Covenanter shall not convert the Property to condominium ownership without the prior written approval of the Covenantee, which approval the Covenantee may grant, withhold or deny in its sole and absolute discretion. If at any time Covenanter fails to maintain the Property in accordance with this Declaration and Covenantor fails to correct or commence to correct such condition within ten (10) days after written notice from the Covenantee (with a copy to the then existing lenders for the Project) with respect to graffiti, debris, waste material, and general maintenance, or thirty days after written notice from the Covenantee with respect to landscaping and building improvements, then the Covenantee, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Property and perform all acts and work necessary to protect, maintain, and preserve the Developer Improvements and landscaped areas on the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Covenantee and/or costs of such cure, including a five percent 5% administrative charge, which amount shall be promptly paid by Covenanter to the Covenantee upon demand; provided, however, that such right to enter is subordinate to any existing or future mortgage or deed of trust.

Covenanter shall properly maintain the buildings, landscaping and yard areas on the Property, in accordance with the City's Municipal Code and according to the following standards:

- (a) No improperly maintained landscaping shall be visible from public rights of way, including:
 - (i) no lawns with grasses in excess of six (6) inches in height;
 - (ii) no untrimmed hedges;
 - (iii) no trees, shrubbery, lawns, and other plant life dying from lack of water or other necessary maintenance;
 - (iv) no trees and shrubbery grown uncontrolled without proper pruning;
 - (v) no vegetation so overgrown as to be likely to harbor rats or vermin;
 - (vi) no dead, decayed or diseased trees, weeds and other vegetation.

(b) No yard areas or balconies shall be left unmaintained, including:

(i) no broken or discarded furniture, appliances and other household equipment stored in yard areas for periods exceeding one (1) week;

(ii) no packing boxes, lumber, trash, dirt and other debris stored in yards for periods exceeding one (1) week in areas visible from public property or neighboring properties;

(iii) no unscreened trash cans, bins or containers stored for unreasonable periods in areas visible from public property or neighboring properties; and

(iv) no vehicles parked or stored in other than approved parking areas.

(c) No buildings may be left in an unmaintained condition, including:

(i) no violations of state law, uniform codes, or City ordinances;

(ii) no condition that constitutes an unsightly appearance that detracts from the aesthetics or property value of the subject property or constitutes a private or public nuisance;

(iii) no broken windows or chipped, cracked or peeling paint; and

(iv) no conditions constituting hazards and/or inviting trespassers or malicious mischief

5. Covenants Do Not Impair Lien. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Declaration shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest given by Covenanter in connection with the Property as improved by the Development Improvement, and this Declaration shall be subordinate to any such existing or future mortgage, deed of trust or security interest.

6. Conflict with Other Laws; Severability. In the event that any provision of this Declaration is found to be contrary to applicable law or any other provision of this Declaration, then the contrary provisions of this Declaration shall be deemed to mean those provisions which are enforceable and consistent with such laws and policies. The remaining portions of this Declaration shall be deemed modified in a manner which is consistent with the goals and intent of this Declaration to provide housing to very low and lower income residents as set forth in this Declaration. Every provision of this Declaration is intended to be severable. In the event any term or provision of this Declaration is declared by a court of competent jurisdiction to be unlawful, invalid or unenforceable for any reason, such determination shall not affect the balance of the terms and provisions of this Declaration, which terms and provisions shall remain binding and enforceable.

7. Covenants For Benefit of City and Covenantee. All covenants without regard to technical classification or designation shall be binding for the benefit of the Covenantee and the City and such covenants shall run in favor of the Covenantee and the City for the entire period during the Affordability Period. The parties shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper legal proceedings to enforce and to cure such breach to which it or any other beneficiaries of these covenants may be entitled during the term

specified for such covenants, except the covenants against discrimination which may be enforced at law or in equity at any time in perpetuity.

8. Notices, Demands and Communications. Written notices, demands and communications between the Covenanter and the Covenantee shall be sufficiently given if delivered by hand or dispatched by registered or certified mail, postage prepaid, return receipt requested, as follows:

Covenanter: InSite Development, LLC
6265 Variel Avenue
Woodland Hills, California 91367

Covenantee: Lancaster Housing Authority
44933 N. Fern Avenue
Lancaster, CA 93534
Attention: Executive Director

Such addresses for notice may be changed from time to time upon notice to the other party.

Any written notice, demand or communication shall be deemed received immediately if delivered by hand and shall be deemed received on the fifth (5th) calendar day from the date it is postmarked if delivered by registered or certified mail.

9. Expiration Date. This Declaration shall automatically terminate and be of no further force or effect upon the expiration of the Affordability Period, except as otherwise provided in this Declaration.

10. Covenantee Remedies. The occurrence of any Default under this Declaration will, either at the option of the Covenantee or automatically where so specified, entitle the Covenantee to proceed with any and all remedies, including but not limited to the following:

(a) Specific Performance. The Covenantee shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Covenanter to perform its obligations and covenants under this Declaration or to enjoin acts or things which may be unlawful or in violation of the provisions of this Declaration.

(b) Right to Cure at Covenantor's Expense. The Covenantee shall have the right to cure any monetary default by Covenanter under a loan or grant; provided, however, that if the Covenanter is in good faith contesting a claim of default under a loan and the Covenantee's interest under this Declaration is not imminently threatened by such default, the Covenantee shall not have the right to cure such default. The Covenanter agrees to reimburse the Covenantee for any funds advanced by the Covenantee to cure a monetary default by Covenanter upon demand therefore, together with interest thereon at the rate of ten percent (10%) per annum, from the date of expenditure until the date of reimbursement.

IN WITNESS WHEREOF, the Covenanter have caused this instrument to be executed on its behalf by its officers hereunto duly authorized as of the date set forth above.

INSITE DEVELOPMENT, LLC,
a California Limited Liability Company

By: InSite Development, LLC,
a California Limited Liability Company
Co-General Partner

Dated: _____

By: _____
Steve Eglash

“COVENANTOR”

LANCASTER HOUSING AUTHORITY, a
public body, corporate and politic

By: _____

“COVENANTEE”

EXHIBIT "A"
TO ATTACHMENT NO. 5

AUTHORITY PARCEL LEGAL DESCRIPTION

PARCEL A:

PARCELS 3 AND 4 OF THE PARCEL MAP NO. 14561, BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

AN EASEMENT WHICH IS HEREBY GRANTED AND DEDICATED TO THE CITY OF LANCASTER FOR PUBLIC ROAD, HIGHWAY, AND UTILITY PURPOSES OVER AND IN THE REAL PROPERTY WHICH LIES IN A PORTION OF PARCELS 3 AND 4 OF PARCEL MAP NO. 14651, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER SAID MAP RECORDED IN BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 3 OF SAID PARCEL MAP 14651; THENCE NORTH 89° 57' 24" EAST, COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF WEST AVENUE I, 1,255.63 FEET TO THE BEGINNING OF A 27 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 42.33 FEET TO A POINT THAT IS 50 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF WAY LINE OF 30TH STREET WEST, 643.22 FEET; THENCE SOUTH 03° 33' 21" WEST, 300.54 FEET TO A POINT THAT IS 68 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30TH STREET WEST, 296.32 FEET TO THE BEGINNING OF A 42 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 65.85 FEET TO A POINT THAT IS 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I, 290.36 FEET; THENCE SOUTH 88° 11' 39" WEST, 715.34 FEET TO A POINT THAT IS 60 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I; 217.40 FEET TO THE EASTERLY LINE OF DEED RECORDED OCTOBER 31, 1979 AS INSTRUMENT NO. 79-1221936; THENCE SOUTH 00° 00' 31" WEST, 10 FEET TO THE POINT OF BEGINNING.

CONTAINS 617,562.86 SQUARE FEET OR 14.18 ACRES.

ATTACHMENT NO. 6

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Lancaster Housing Authority)
44933 N. Fern Avenue)
Lancaster, California 93534)
Attention: Executive Director)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

**DECLARATION OF CONDITIONS, COVENANTS
AND RESTRICTIONS FOR OPCC HOMELESS CARE FACILITY**

THIS DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS (this “Declaration”) is made this _____ day of _____, 2017, by and between the LANCASTER HOUSING AUTHORITY, a public body corporate and politic (the “Authority”) and INSITE DEVELOPMENT, LLC, a California Limited Partnership, with reference to the following:

A. The Authority and INSITE DEVELOPMENT, LLC have executed an Disposition and Development Agreement (“Agreement”), dated as of _____, 2017, which provides for the disposition and development of that certain real property located in the City of Lancaster, County of Los Angeles, State of California, more fully described in Exhibit ”A” attached hereto and incorporated herein by this reference (the “Property”). The Agreement is available for public inspection and copying at the office of the City Clerk, Lancaster City Hall, 44933 Fern Avenue, Lancaster, California. All of the terms, conditions, provisions and covenants of the Agreement are incorporated in this Declaration by reference as though written out at length herein and the Agreement and this Declaration shall be deemed to constitute a single instrument or document. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in Section 1.1 of the Agreement.

B. The Declaration provides for, among other things, the obligations regarding the use, maintenance and operation of the Improvements on the Property by InSite Development, LLC and InSite Development, LLC successors and assigns.

C. InSite Development, LLC., intends to enter into a lease of a 61,500 square foot facility located on the Property (“Facility”) to be used as a homeless care facility for homeless individuals and families.

NOW, THEREFORE, InSite Development, LLC, hereby covenants, agrees and declares by and for its successors and assigns that all of the Site shall be held, sold, conveyed, hypothecated, encumbered, used, occupied and improved, subject to the following covenants, conditions, restrictions and easements which are hereby declared to be for the benefit of the whole Property. These covenants, conditions, restrictions and easements shall run with the

Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof.

NOW, THEREFORE, INSITE DEVELOPMENT, LLC AGREES AND COVENANTS AS FOLLOWS:

1. Uses. InSite Development, LLC covenants and agrees for itself and its successors and assigns to devote, use, operate, and maintain the Facility is for homeless individuals and families, with services to be provided by OPCC, a non-profit corporation. All uses conducted on or within the Facility, including, without limitation, all activities undertaken by InSite Development, LLC pursuant to the Agreement, all applicable provisions of the City's Municipal Code, and the recorded documents pertaining to and running with the Site. This covenant shall run with the land.

Notwithstanding the foregoing, however, in the event that either (a) any insolvency proceeding is commenced by or against OPCC, and such proceeding is not dismissed within sixty (60) days of the commencement thereof, or OPCC becomes insolvent or otherwise cannot pay its debts or obligations as such become due (or admits the same in writing), or (b) OPCC is in default of its obligations under the lease for the Facility, then InSite Development, LLC., with the written consent of the Authority, may select another provider to operate and maintain the Facility as a homeless care facility for individuals and families, in accordance with this Declaration.

2. Nondiscrimination. InSite Development, LLC by and for itself and any successors in interest covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall InSite Development, LLC itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property. The foregoing covenants shall run with the land.

All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or no segregation clauses:

- (1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees,

subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”

- (2) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, ancestry or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.”

- (3) In contracts: “There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, ancestry or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

This covenant regarding non-discrimination shall remain in effect in perpetuity.

3. Effect of Violation of the Terms and Provisions of this Declaration. The covenants established in this Declaration and the deeds shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Authority, its successors and assigns, as to those covenants which are for its benefit. The covenants contained in this Declaration shall run with the land.

The Authority is deemed the beneficiary of the terms and provisions of this Declaration and of the covenants running with the land, for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Declaration and the covenants running with the land have been provided. The Declaration and the covenants shall run in favor of the Authority, without regard to whether the Authority has been, remains or is an owner of any land or interest therein in the Property or in the Project Area. The Authority shall have the right, if the Declaration or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits

at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Declaration and covenants may be entitled.

4. Subordination. No violation or breach of the covenants, conditions, restrictions, provisions, or limitations contained in this Declaration shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest given by Leaps and Bounds, L.P. in connection with the Property, and this Declaration shall be subordinate to any such existing or future mortgage, deed of trust or security interest.

5. Miscellaneous Provisions.

(a) If any provision of this Declaration or portion thereof, or the application to any person or circumstances, shall to any extent be held invalid, inoperative or unenforceable, the remainder of this Declaration, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Declaration; and each provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

(b) This Declaration shall be construed in accordance with the laws of the State of California.

(c) This Declaration shall be binding upon and inure to the benefit of the successors and assigns of InSite Development, LLC.

(d) In the event action is instituted to enforce any of the provisions of this Declaration, the prevailing party in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs.

6. Effect of Declaration. The covenants and agreements established in this Declaration shall, without regard to technical classification and designation, be binding on InSite Development, LLC and any successor in interest to the Property, or any part thereof (including each Residential Parcel), for the benefit of and in favor of the Authority, its successor and assigns, and the City of Lancaster.

7. Programing MOU. Prior seeking and/or obtaining a certificate of occupancy for the Facility, InSite Development, LLC and the Authority shall enter into a Memorandum of Understanding or other agreement that specifies the nature and extent of programing to be provided at the Facility pursuant to this Declaration and the Agreement.

IN WITNESS WHEREOF, the parties hereto has executed this instrument the day and year first hereinabove written.

LANCASTER HOUSING AUTHORITY, a
public body corporate and politic

Dated: _____, 2006

By: _____
Executive Director

ATTEST:

Authority Secretary

INSITE DEVELOPMENT, LLC,
a California Limited Liability Company

By: InSite Development, LLC,
a California Limited Liability Company
Co-General Partner

Dated: _____

By: _____
Steve Eglash

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL A:

PARCELS 3 AND 4 OF THE PARCEL MAP NO. 14561, BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

AN EASEMENT WHICH IS HEREBY GRANTED AND DEDICATED TO THE CITY OF LANCASTER FOR PUBLIC ROAD, HIGHWAY, AND UTILITY PURPOSES OVER AND IN THE REAL PROPERTY WHICH LIES IN A PORTION OF PARCELS 3 AND 4 OF PARCEL MAP NO. 14651, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER SAID MAP RECORDED IN BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 3 OF SAID PARCEL MAP 14651; THENCE NORTH 89° 57' 24" EAST, COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF WEST AVENUE I, 1,255.63 FEET TO THE BEGINNING OF A 27 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 42.33 FEET TO A POINT THAT IS 50 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF WAY LINE OF 30TH STREET WEST, 643.22 FEET; THENCE SOUTH 03° 33' 21" WEST, 300.54 FEET TO A POINT THAT IS 68 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30TH STREET WEST, 296.32 FEET TO THE BEGINNING OF A 42 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 65.85 FEET TO A POINT THAT IS 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I, 290.36 FEET; THENCE SOUTH 88° 11' 39" WEST, 715.34 FEET TO A POINT THAT IS 60 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I; 217.40 FEET TO THE EASTERLY LINE OF DEED RECORDED OCTOBER 31, 1979 AS INSTRUMENT NO. 79-1221936; THENCE SOUTH 00° 00' 31" WEST, 10 FEET TO THE POINT OF BEGINNING.

CONTAINS 617,562.86 SQUARE FEET OR 14.18 ACRES.

ATTACHMENT NO. 7

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Lancaster Housing Authority)
44933 N. Fern Avenue)
Lancaster, California 93534)
Attention: Executive Director)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (“Memorandum”), dated for identification purposes is entered into by and between the **LANCASTER HOUSING AUTHORITY**, a public body corporate and politic (“Authority”), and **INSITE DEVELOPMENT, LLC**, a California Limited Liability Company (“Developer”).

1. **Company Agreement.** Authority and Developer have entered into an Disposition Development Agreement (“Agreement”), which provides for the Authority’s disposition of that certain unimproved and vacant real property located in the City of Lancaster, County of Los Angeles, State of California, more fully described in Exhibit “A” attached hereto and incorporated herein by this reference (the “Authority Parcel”) to the Developer for Developer’s development of the Authority Parcel. The Agreement is available for public inspection and copying at the office of the Lancaster Housing Authority, 44933 N. Fern Avenue, Lancaster, California. All of the terms, conditions, provisions and covenants of the Agreement are incorporated in this Memorandum by reference as though written out at length herein, and the Agreement and this Memorandum shall be deemed to constitute a single instrument or document.

2. **Purpose of Memorandum.** This Memorandum is prepared for recordation purposes only, and in no way modifies the terms, conditions, provisions and covenants of the Agreement. In the event of any inconsistency between the terms, conditions, provisions and covenants of this Memorandum and the Agreement, the terms, conditions, provisions and covenants of the Agreement shall prevail.

The parties have executed this Memorandum of Agreement on the dates specified immediately adjacent to their respective signatures.

AUTHORITY:

LANCASTER HOUSING AUTHORITY, a
public body, corporate and politic

Dated: _____, 2017

By: _____
Executive Director

DEVELOPER:

INSITE DEVELOPMENT, LLC,
a California Limited Liability Company

By: InSite Development, LLC,
a California Limited Liability Company
Co-General Partner

Dated: _____

By: _____
Steve Eglash

APPROVED AS TO FORM:

Elizabeth Brubaker
Deputy Executive Director

ATTEST:

Britt Avrit, CMC
Authority Secretary

APPROVED AS TO FORM:

Allison E. Burns, Esq.
Stradling Yocca Carlson & Routh
Authority Counsel

EXHIBIT "A"
TO ATTACHMENT NO. 7

AUTHORITY PARCEL LEGAL DESCRIPTION

PARCEL A:

PARCELS 3 AND 4 OF THE PARCEL MAP NO. 14561, BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

AN EASEMENT WHICH IS HEREBY GRANTED AND DEDICATED TO THE CITY OF LANCASTER FOR PUBLIC ROAD, HIGHWAY, AND UTILITY PURPOSES OVER AND IN THE REAL PROPERTY WHICH LIES IN A PORTION OF PARCELS 3 AND 4 OF PARCEL MAP NO. 14651, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER SAID MAP RECORDED IN BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 3 OF SAID PARCEL MAP 14651; THENCE NORTH 89° 57' 24" EAST, COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF WEST AVENUE I, 1,255.63 FEET TO THE BEGINNING OF A 27 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 42.33 FEET TO A POINT THAT IS 50 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF WAY LINE OF 30TH STREET WEST, 643.22 FEET; THENCE SOUTH 03° 33' 21" WEST, 300.54 FEET TO A POINT THAT IS 68 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30TH STREET WEST, 296.32 FEET TO THE BEGINNING OF A 42 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 65.85 FEET TO A POINT THAT IS 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I, 290.36 FEET; THENCE SOUTH 88° 11' 39" WEST, 715.34 FEET TO A POINT THAT IS 60 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I; 217.40 FEET TO THE EASTERLY LINE OF DEED RECORDED OCTOBER 31, 1979 AS INSTRUMENT NO. 79-1221936; THENCE SOUTH 00° 00' 31" WEST, 10 FEET TO THE POINT OF BEGINNING.

CONTAINS 617,562.86 SQUARE FEET OR 14.18 ACRES.

ATTACHMENT NO. 8

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Lancaster Housing Authority)
44933 N. Fern Avenue)
Lancaster, California 93534)
Attention: Executive Director)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)**

This DEED OF TRUST, dated as of _____, 2017, between InSite Development, LLC, herein called TRUSTOR, whose address is _____, FIDELITY NATIONAL TITLE CO., a California corporation, herein called TRUSTEE, and the LANCASTER HOUSING AUTHORITY, a public body, corporate and politic, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of Lancaster, County of Los Angeles, State of California, described as:

See Exhibit A attached hereto.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) Trustor's performance of that certain Disposition and Development Agreement ("DDA") dated _____, 2017, entered into by and between Trustor and Beneficiary, (2) Trustor's performance of each agreement or other document attached to and incorporated in the DDA and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

(continued on next page)

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Venture	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 Book 1964, Page 149774				

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trustor
InSite Development, LLC

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me,
Notary Public, _____,
personally appeared _____

By: _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/here/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

(continued on next page)

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary of Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defeat any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

TO FIRST AMERICAN TITLE INSURANCE COMPANY, TRUSTEE:

The under signed is the legal owner and holder of the note and of all indebtedness secured by the foregoing Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust,
Note and Reconveyance to _____

Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

EXHIBIT "A"
TO ATTACHMENT NO. 8

PARCEL A:

PARCELS 3 AND 4 OF THE PARCEL MAP NO. 14561, BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

AN EASEMENT WHICH IS HEREBY GRANTED AND DEDICATED TO THE CITY OF LANCASTER FOR PUBLIC ROAD, HIGHWAY, AND UTILITY PURPOSES OVER AND IN THE REAL PROPERTY WHICH LIES IN A PORTION OF PARCELS 3 AND 4 OF PARCEL MAP NO. 14651, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER SAID MAP RECORDED IN BOOK 158, PAGES 1 – 4 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 3 OF SAID PARCEL MAP 14651; THENCE NORTH 89° 57' 24" EAST, COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF WEST AVENUE I, 1,255.63 FEET TO THE BEGINNING OF A 27 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 42.33 FEET TO A POINT THAT IS 50 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF WAY LINE OF 30TH STREET WEST, 643.22 FEET; THENCE SOUTH 03° 33' 21" WEST, 300.54 FEET TO A POINT THAT IS 68 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF 30TH STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30TH STREET WEST, 296.32 FEET TO THE BEGINNING OF A 42 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 50' 04", AN ARC DISTANCE OF 65.85 FEET TO A POINT THAT IS 50 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I, 290.36 FEET; THENCE SOUTH 88° 11' 39" WEST, 715.34 FEET TO A POINT THAT IS 60 FEET NORTHERLY OF, AS MEASURED AT RIGHT ANGLES FROM, THE CENTERLINE OF WEST AVENUE I; THENCE SOUTH 89° 57' 24" WEST, PARALLEL WITH THE CENTERLINE OF WEST AVENUE I; 217.40 FEET TO THE EASTERLY LINE OF DEED RECORDED OCTOBER 31, 1979 AS INSTRUMENT NO. 79-1221936; THENCE SOUTH 00° 00' 31" WEST, 10 FEET TO THE POINT OF BEGINNING.

CONTAINS 617,562.86 SQUARE FEET OR 14.18 ACRES.

STAFF REPORT

City of Lancaster

PH 1
11/14/17
MVB

Date: November 14, 2017

To: Mayor Parris and City Council Members

From: Chenin Dow, Management Analyst II
Angela Clayborne, Projects Assistant/Executive Director of Destination Lancaster

Subject: **Lancaster Tourism Business Improvement District**

Recommendation:

Adopt **Resolution No. 17-57**, declaring results of majority protest and renewing the Lancaster Tourism Business Improvement District (TBID).

Fiscal Impact:

Since its inception in 2013, the TBID has contributed to the generation of more than \$7.6 million in transient occupancy tax to the City of Lancaster.

Background:

In the depths of the nation's largest recession since the Great Depression, the City of Lancaster sought new and creative ways to generate increased revenue and strengthen the region's economic health. Recognizing that the old ways of doing things would not pull us through this challenging time, we turned to our private-sector partners. Together, we pursued a number of new avenues for public-private cooperation.

One such opportunity was the Lancaster Tourism Business Improvement District (TBID). Lancaster's top-tier hotels banded together in an initiative to attract new tourism and generate increased hotels stays throughout the City of Lancaster. Dubbed "Destination Lancaster," the organization encompasses nine hotels, each of which has voted to establish a dedicated revenue stream to be used exclusively for the promotion of tourism to benefit member hotels.

As the TBID's first five-year term of operation draws to a close, its success is clear. Under the leadership of Council Member Ken Mann and Antelope Valley Fair representative Ron Emard, member hotels have seen substantial gains in the two key indicators of financial health in the hotel industry: occupancy rates and average daily rate (ADR). Meanwhile, the City of Lancaster has enjoyed significant growth in transient occupancy tax (TOT) revenues, caused by these increases as well as the addition of two new hotels. The numbers speak for themselves:

- TOT has increased 38% since the TBID's inception.
- Occupancy rates have seen a 29% increase during the same time period.
- 2017 hotel market reports show that Destination Lancaster hotels are performing higher in both ADR and occupancy rates than hotels in neighboring communities.
- ADR is up 10% over 2016 among member hotels.
- Tourism generated an estimated \$12,618,280 in local tax revenue last year alone, according to economic impact estimates from Visit California.
- Marketing efforts including a new website, internet display ads, and destination coverage by social influencers as well as traditional media outlets have resulted in nearly 10 million views last year. Thanks in no small part to these marketing efforts, Lancaster was recently named among the *50 Most Underrated Attractions in Every State* and *20 of the Most Beautiful Places in America*.

As a result of this remarkable success, Destination Lancaster's member hotels have unanimously petitioned to renew the district for another five-year term beginning on February 1, 2018. As outlined in the Management District Plan (Attachment 1), the district will include all lodging businesses in the City of Lancaster with an AAA rating of two diamonds or higher. The proposed TBID charge would remain at the current rate of 2% of the nightly room rate. As in the current Management District Plan, the Destination Lancaster Board of Directors will have the option to raise the rate to a maximum of 3% in future years.

Destination Lancaster will continue to be governed by a Board of Directors that represents a partnership between the City, member hotels, and key local stakeholders. Per the organization bylaws, the nine-member board will include a Lancaster City Council member, an economic development staff member from the City of Lancaster, a member of the Antelope Valley Fair Board of Directors, the General Manager of the Antelope Valley Fair, one representative of the Chamber of Commerce, and four representatives of member hotels.

At its October 24th public meeting, the City Council heard a presentation on the TBID renewal. This public hearing marks the third and final step to renew the TBID. If renewed, the district will continue its work to promote travel and tourism in the City of Lancaster.

VL:CD:AC

Attachments:

Resolution 17-57

LTBID Management District Plan

RESOLUTION NO. 17-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND RENEWING THE LANCASTER TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID)

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et. seq.) authorizes the City to renew tourism business improvement districts upon petition by a weighted majority of the lodging business owners located within the boundaries of the district; and

WHEREAS, lodging business owners who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the petitioner, within the boundaries of the Lancaster Tourism Business Improvement District (“LTBID”) have petitioned the City Council to renew the LTBID; and

WHEREAS, included with the petitions was a Management District Plan (“Plan”) summary that describes the proposed assessment to be levied on lodging businesses within the LTBID to pay for sales promotion and marketing activities, and other improvements and activities set forth in the Plan; and

WHEREAS, the assessed lodging businesses within the LTBID will receive a specific benefit from the activities and improvements set forth in the Plan; and

WHEREAS, on September 26, 2017 at 5:00 p.m. at the Council Chamber located at 44933 N. Fern Avenue, Lancaster, CA 93534, the City Council adopted a Resolution of Intention, Resolution No. 17-42; and

WHEREAS, the public meeting and public hearing to consider the renewal of the LTBID have been properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on October 24, 2017 at 5:00 p.m. at the Council Chamber located at 44933 N. Fern Avenue, Lancaster, CA 93534, the City Council held a public meeting regarding the renewal of the LTBID, and the City Council heard and received objections and protests, if any, to the renewal of the LTBID and the levy of the proposed assessment; and

WHEREAS, on November 14, 2017 at 5:00 p.m. at the Council Chamber located at 44933 N. Fern Avenue, Lancaster, CA 93534, the City Council held a public hearing regarding the renewal of the LTBID, and the City Council heard and received all objections and protests, if any, to the renewal of the LTBID and the levy of the proposed assessment; and

WHEREAS, the City Clerk has determined that there was no majority protest. A majority protest is defined as written protests received from owners of businesses in the renewed district which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business; and

WHEREAS, the City bears the burden of proving by a preponderance of the evidence that an assessment imposed for a specific benefit or specific government service is not a tax, that the amount is no more than necessary to cover the costs to the City in providing the specific benefit or specific government service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the specific benefits or specific government services received by the payor.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER THAT:

1. The recitals set forth herein are adopted by the City Council as findings and they are true and correct.
2. The Lancaster Tourism Business Improvement District is hereby renewed for a five (5) year term, beginning February 1, 2018 through January 31, 2023.
3. The Plan dated August 17, 2017 is hereby adopted and approved.
4. The activities to be provided to benefit businesses in the district will be funded by the levy of the assessment. The revenue from the assessment levy shall not be used: to provide activities that directly benefit businesses outside the district; to provide activities or improvements outside the LTBID; or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Plan. Notwithstanding the foregoing, activities and improvements that must be provided outside the LTBID boundaries to create a specific benefit to the assessed businesses may be provided, but shall be limited to marketing or signage pointing to the LTBID.
5. The City Council finds as follows:
 - a) The activities funded by the assessment will provide a specific benefit to assessed businesses within the LTBID that is not provided to those not paying the assessment.
 - b) The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
 - c) The assessment is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

d) Assessments imposed pursuant to the LTBID are levied solely upon the assessed business, and the business owner is solely responsible for payment of the assessment when due. If the owner chooses to collect any portion of the assessment from a transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business owner as the "LTBID Assessment."

6. The assessments levied for the LTBID shall be applied towards sales, promotions and marketing programs to market Lancaster lodging businesses as tourist, meeting and event destinations, and other improvements and activities as set forth in the Plan.

7. Assessments levied on lodging businesses pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.

8. The assessments for the entire District will total approximately \$360,000 in year one.

9. Bonds shall not be issued to fund the LTBID.

10. The LTBID shall include all lodging business with an AAA rating of 2 diamonds or higher located within the boundaries of the the City of Lancaster. A boundary map is attached hereto and incorporated herein by reference.

11. The assessments shall be used for the purposes set forth above and any funds remaining at the end of any year may be used in subsequent years in which the LTBID assessment is levied as long as they are used consistent with the requirements set forth herein.

12. The assessments to fund the activities and improvements for the LTBID will be collected by the City on a monthly basis, and in accordance with Streets and Highways Code §36631.

13. The City Council, through adoption of this Resolution and the Plan, has the right pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the LTBID as defined in Streets and Highways Code §36612. The City Council has determined that the Visitors Bureau of Lancaster dba Destination Lancaster shall continue to be the Owners' Association.

14. The Visitors Bureau of Lancaster dba Destination Lancaster, pursuant to Streets and Highways Code §36650, shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The first report shall be due after the first year of operation of the district.

15. The LTBID established pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).

16. The City Clerk, or his or her designee, is directed to take all necessary actions to complete the establishment of the LTBID and to levy the assessments.

17. This Resolution shall take effect immediately upon its adoption by the City Council.

PASSED, APPROVED and ADOPTED this 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT S. AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____,
City of Lancaster, CA do hereby certify that this is a true and correct copy of the original
Resolution No. 17-57, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____
day of _____, _____.

(seal)

Boundary Map



2018-2023



**LANCASTER TOURISM BUSINESS
IMPROVEMENT DISTRICT
MANAGEMENT DISTRICT PLAN**

*Prepared pursuant to the Property and Business Improvement District Law of
1994, Streets and Highways Code section 36600 et seq.*

August 17, 2017

CONTENTS

I.	OVERVIEW	2
II.	BACKGROUND	3
III.	BENEFITS	4
IV.	BOUNDARY	5
V.	BUDGET AND SERVICES.....	6
A.	Annual Service Plan	6
B.	Annual Budget.....	7
C.	California Constitutional Compliance	8
D.	Assessment.....	10
E.	Penalties and Interest.....	10
F.	Time and Manner for Collecting Assessments	11
VI.	GOVERNANCE.....	12
A.	Owners' Association	12
B.	Brown Act and California Public Records Act Compliance.....	12
C.	Annual Report	12
	APPENDIX 1 – LAW.....	13
	APPENDIX 2 – ASSESSED BUSINESSES	23
	APPENDIX 3 – BOUNDARY MAP	24

Prepared by
Civitas



I. OVERVIEW

Developed by the Visitors Bureau of Lancaster dba Destination Lancaster (DL), the Lancaster Tourism Business Improvement District (LTBID) is an assessment district proposed to continue to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

Boundaries: The renewed LTBID includes all lodging businesses with an AAA rating of 2 diamonds or higher located within the boundaries of the City of Lancaster, as shown on the map in Section IV.

Services: The LTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing, sales and promotions programs will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total LTBID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$360,000. This budget is expected to fluctuate as room sales and the assessment rate do, but is not expected to significantly change over the LTBID's term.

Cost: The annual assessment rate is two percent (2%) of gross short-term room rental revenue. During the five (5) year term, the assessment rate may be increased by the Owners' Association Board to a maximum of three percent (3%) of gross short-term room rental revenue. The maximum increase in any year shall be one-half of one percent (0.5%). Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to February 1, 2018.

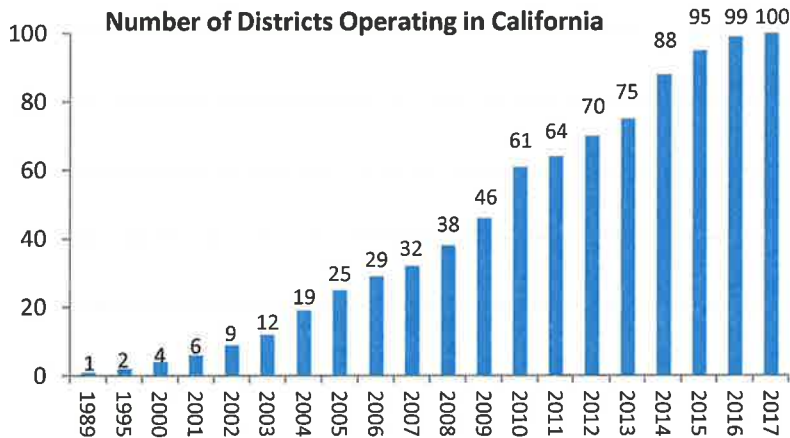
Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the LTBID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The renewed LTBID will have a five (5) year life, beginning February 1, 2018 through January 31, 2023. Once per year, beginning on the anniversary of LTBID renewal, there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a City Council hearing on LTBID termination.

Management: Destination Lancaster will continue to serve as the LTBID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

II. BACKGROUND

TBIDs are an evolution of the traditional Business Improvement District. The first TBID was formed in West Hollywood, California in 1989. Since then, over ninety California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TBID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TBIDs without a state law.



California's TBIDs collectively raise over \$250 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Lancaster lodging businesses continue to invest in stable, lodging-specific marketing programs.

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TBID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

III. BENEFITS

There are many benefits of a TBID in Lancaster:

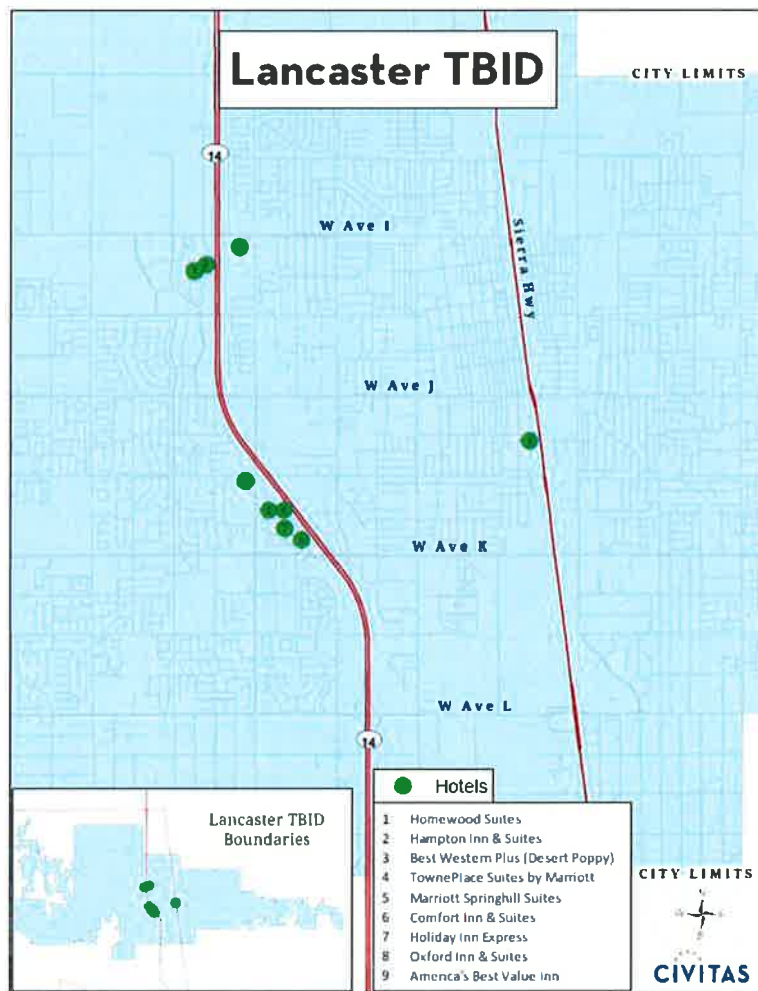
- Lancaster's TBID is an influential mechanism for boosting key performance indicators including increased occupancy, average daily rate, marketing penetration index and revenue generation index for assessed lodging businesses.
- Lancaster's TBID governance is a partnership between assessed lodging businesses and community influencers to further the interests of tourism and to position the industry to shape local and regional policies.
- Lancaster's TBID is customized to fit the specific needs of our unique community and assessed lodging businesses.
- Lancaster's TBID provides a dedicated, long-term revenue stream for tourism promotion that must, by law, be spent on services and improvements that provide a specific benefit to those who pay. Funds cannot be diverted to general government programs.
- Lancaster's TBID allows for a wide range of services that increase the economic vitality of the region.

IV. BOUNDARY

The LTBID will include all lodging businesses with an AAA rating of 2 diamonds or higher, existing and in the future, available for public occupancy within the boundaries of the City of Lancaster. Lodging business ratings will be reviewed annually, due to changes in ratings, to determine the lodging businesses to be assessed by the LTBID. Newly constructed or opened lodging businesses will automatically be included in and assessed by the LTBID, after going through the mandatory AAA rating process (for inclusion in the LTBID) and obtaining at least a 2 diamond rating.

Lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes and including any hotel, in tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobilehome or house trailer at a fixed location, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes nine (9) lodging businesses. A complete listing of lodging businesses within the renewed LTBID can be found in Appendix 2. A larger boundary map can be found in Appendix 3.

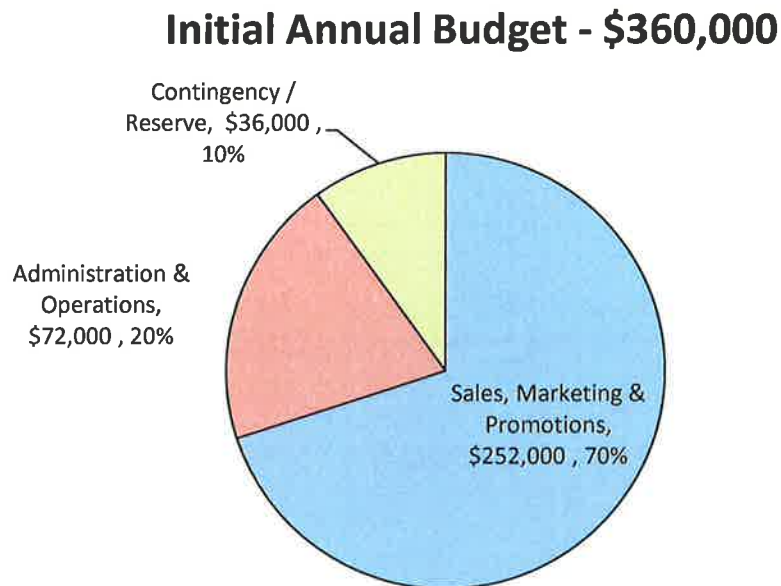


V. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the LTBID funds are sales and marketing programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit the assessed businesses. A detailed annual budget will be developed and approved by DL. The table below illustrates the initial annual budget allocations. The total initial budget is \$360,000.



Although actual revenues will fluctuate due to market conditions and assessment rate changes, the proportional allocations of the budget shall remain the same. However, the City and the DL board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the LTBID, any and all assessment funds may be used for the costs of defending the LTBID.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by DL on an as-needed basis.

Sales, Marketing & Promotions

A sales, marketing and promotions program will promote assessed businesses as tourist, meeting, and event destinations. The sales, marketing and promotions program will have a central theme of promoting Lancaster as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Reports and analysis on the effectiveness and return on investment of LTBD sales, marketing and promotions programs to help focus LTBD sales, marketing and promotions programs to drive overnight visitation and room sales to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses; and
- Development and maintenance of a website designed to promote assessed businesses.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the Owners' Association. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Board of Directors of the Owners' Association. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the Owners' Association. The reserve fund may be used for the costs of renewing the District.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately \$360,000 annually, or \$2,594,233.34 through 2023 if the maximum assessment rate increases are adopted. This budget is expected to fluctuate as room sales change and if the assessment rate is increased. If the maximum annual assessment rate increases are adopted by DL's Board, the annual budget will increase to an estimated \$463,500.00 in year two and \$572,886.00 in year three. The annual assessment rate is two percent (2%) of gross short-term room rental revenue. During the five (5) year term, the assessment rate may be increased by the Owners' Association Board to a maximum of three percent

(3%) of gross short-term room rental revenue. The maximum increase in any year shall be one-half of one percent (0.5%). The assessment rate may or may not increase starting in FY 2019-20, the increases may be implemented beginning in FY 2019-20 or in later years at the discretion of the Owners' Association. The table below demonstrates the maximum with the assumption that the assessment rate will be increased in FY 2019-20 and FY 2020-21 as it is a required disclosure, it is not the anticipated course of action. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of LTBID efforts. This three percent (3%) annual increase is a conservative estimate based on the effects of similarly sized TBID budgets.

**Estimated Annual Budget If Maximum Assessment Rates Are Adopted
2018-2023**

Fiscal Year	Sales, Marketing & Promotions	Administration & Operations	Contingency / Reserve	Total	3% Estimated Annual Increase	Increase Due to Assessment Rate Change
%	70%	20%	10%	100%		
2018-19	\$252,000.00	\$72,000.00	\$36,000.00	\$360,000.00	-	-
2019-20	\$324,450.00	\$92,700.00	\$46,350.00	\$463,500.00	\$ 13,500.00	\$ 90,000.00
2020-21	\$401,020.20	\$114,577.20	\$57,288.60	\$572,886.00	\$ 16,686.00	\$ 92,700.00
2021-22	\$413,050.81	\$118,014.52	\$59,007.26	\$590,072.58	\$ 17,186.58	-
2022-23	\$425,442.33	\$121,554.95	\$60,777.48	\$607,774.76	\$ 17,702.18	-
TOTAL	\$1,815,963.34	\$518,846.67	\$259,423.33	\$2,594,233.34		

**Estimated Annual Budget If Maximum Assessment Rates Are Not Adopted
2018-2023**

Fiscal Year	Sales, Marketing & Promotions	Administration & Operations	Contingency / Reserve	Total	3% Estimated Annual Increase	Increase Due to Assessment Rate Change
%	70%	20%	10%	100%		
2018-19	\$252,000.00	\$72,000.00	\$36,000.00	\$360,000.00	-	-
2019-20	\$324,450.00	\$92,700.00	\$46,350.00	\$370,800.00	\$ 10,800.00	-
2020-21	\$401,020.20	\$114,577.20	\$57,288.60	\$381,924.00	\$ 11,124.00	-
2021-22	\$413,050.81	\$118,014.52	\$59,007.26	\$393,381.72	\$ 11,457.72	-
2022-23	\$425,442.33	\$121,554.95	\$60,777.48	\$405,183.17	\$ 11,801.45	-
TOTAL	\$1,815,963.34	\$518,846.67	\$259,423.33	\$1,911,288.89		

C. California Constitutional Compliance

The LTBID assessment is not a property-based assessment subject to the requirements of Proposition 218. The Court has found, "Proposition 218 limited the term 'assessments' to levies on real property."¹ Rather, the LTBID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the LTBID, a "specific benefit" and a "specific government service." Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.”² The services in this Plan are designed to provide targeted benefits directly to assessed lodging businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific lodging businesses within the District. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. LTBDID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in LTBDID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this District is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales programs promoting lodging businesses paying the district assessment. The marketing and sales programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales programs that specifically benefit the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the District, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the LTBDID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

² Cal. Const. art XIII C § 1(e)(1)

³ Government Code § 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

3. Reasonable Cost

District services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by DL, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from district-funded activities, be featured in advertising campaigns, and benefit from other district-funded services. Non-assessed lodging businesses will not receive these, nor any other, district-funded services and benefits.

The District-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-District funds. LTBDID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is two percent (2%) of gross short-term room rental revenue. During the five (5) year term, the assessment rate may be increased by the Owners' Association Board to a maximum of three percent (3%) of gross short-term room rental revenue. The maximum increase in any year shall be one-half of one percent (0.5%). Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to February 1, 2018.

The term "gross room rental revenue" as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits, and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the "LTBDID Assessment." The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The LTBDID shall reimburse the City of Lancaster for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent LTBDID assessment are sought to be recovered in the same collection action by the City, the LTBDID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business that fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business that fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. *Fraud:* If the City determines that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated in subsections 1 and 2 above.
4. *Interest:* In addition to the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. *Penalties Merged with Assessment:* Every penalty imposed and such interest as accrues under the provisions of this section, shall become a part of the assessment herein required to be paid.

F. Time and Manner for Collecting Assessments

The LT BID assessment will be implemented beginning February 1, 2018 and will continue for five (5) years through January 31, 2023. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

VI. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the LTBID as defined in Streets and Highways Code §36612. The City Council has determined that Visitors Bureau of Lancaster dba Destination Lancaster will serve as the Owners' Association for the LTBID. DL's Board of Directors shall be composed of nine (9) Directors as follows:

- Two (2) Directors representing the City of Lancaster;
- Two (2) Directors representing the Antelope Valley Fairgrounds;
- Four (4) Directors representing assessed lodging businesses; and
- One (1) Director representing the Lancaster Chamber of Commerce.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the DL board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

DL shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

*** This document is current through the 2017 Supplement ***
(All 2016 legislation)

STREETS AND HIGHWAYS CODE
Division 18. Parking
Part 7. Property and Business Improvement District Law of 1994

Cal Sts & Hy Code Div. 18, Pt. 7 (2017)

CHAPTER 1. General Provisions [36600 - 36617]

ARTICLE 1. Declarations [36600 - 36604]

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions [36606 - 36616]

36606. “Activities”

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. “Assessment”

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. “Business”

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation

to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law [36617- 36617.]

36617. Alternate method of financing certain improvements and activities; Effect on other provision

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment [36620 - 36630]

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceeding; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred

on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or

map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments [36631 - 36637]

36631. Time and manner of collection of assessment; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adopting of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing [36640- 36640.]

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance [36650 - 36651]

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements, maintenance, and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal [36660- 36660.]

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment [36670 - 36671]

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

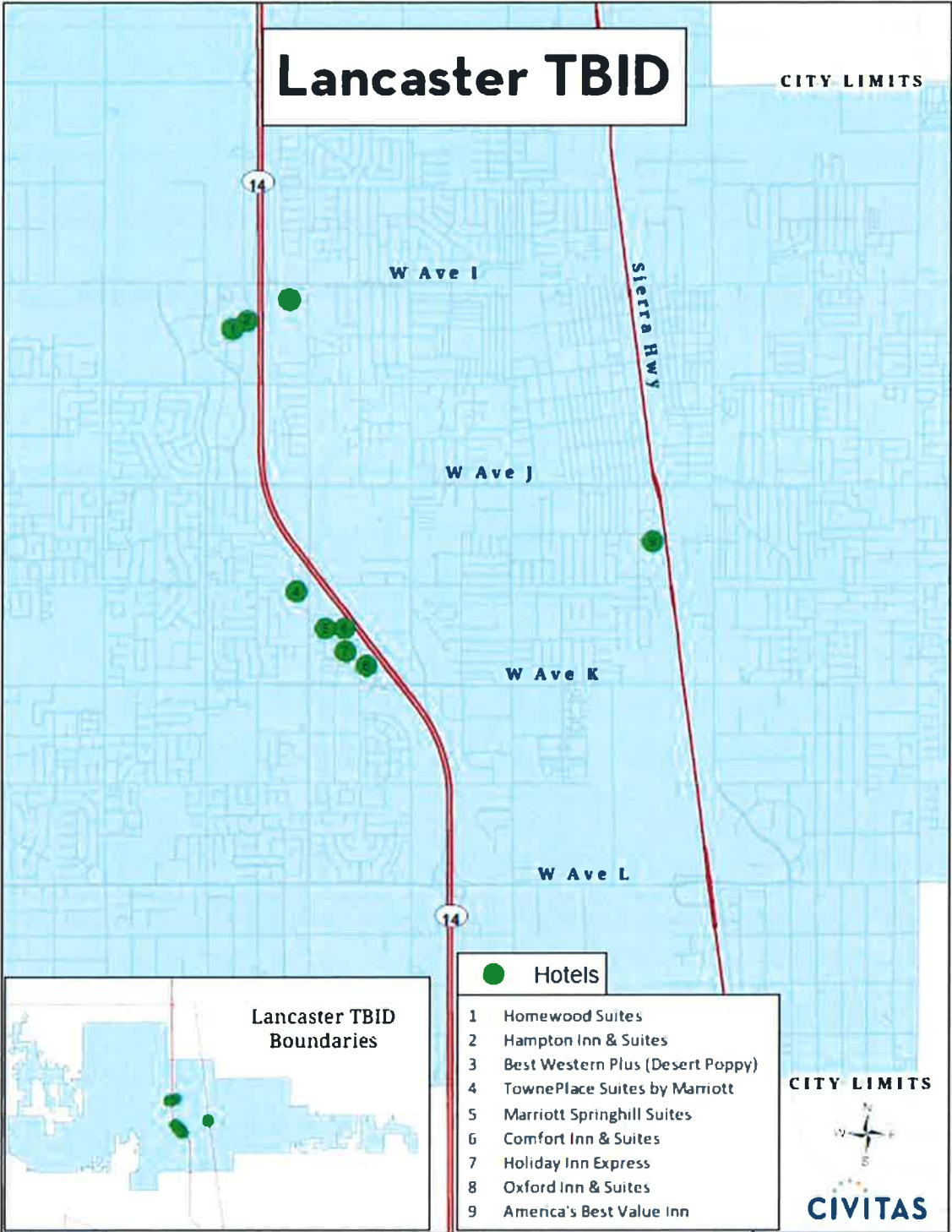
(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

Business Name	Business Address	City, State, ZIP	Rating
America's Best Value Inn	44131 Sierra Hwy	Lancaster, CA 93534	2
Best Western Plus (Desert Poppy)	2038 W. Ave. I	Lancaster, CA 93536	3
Comfort Inn & Suites	1825 W. Ave J-12	Lancaster, CA 93534	2
Hampton Inn & Suites	2300 Double Play Way	Lancaster, CA 93536	3
Holiday Inn Express	43719 17 th St. West	Lancaster, CA 93534	3
Homewood Suites	2320 Double Play Way	Lancaster, CA 93536	3
Marriott Springhill Suites	1811 W. Ave J-12	Lancaster, CA 93534	3
Oxford Inn & Suites	1651 W. Ave K	Lancaster, CA 93534	3
TownePlace Suites	2024 W. Ave J-8	Lancaster, CA 93536	3

APPENDIX 3 – BOUNDARY MAP



RESOLUTION NO. 17-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, IN SUPPORT OF A STATEWIDE COALITION OF COMMUNITIES, UNDER THE WORKING TITLE OF COALITION TO END WATER RATE ABUSE, CALLING FOR THE INTRODUCTION AND PASSAGE OF STATEWIDE LEGISLATION TO REFORM THE RATEMAKING PROCESS FOR INVESTOR-OWNED, FOR-PROFIT WATER UTILITIES IN CALIFORNIA

WHEREAS, the California Public Utilities Commission's (CPUC) Water Division regulates 113 investor-owned water and sewer utilities, servicing 16% of state residents, with 95% of that number being served by 9 large water utilities, each serving 10,000 or more connections, with annual revenues of \$1.4 billion; and

WHEREAS, these investor-owned, for-profit water utilities charge water customer rates that are often three to five times higher than those charged by publicly-owned utilities, often directly adjacent to privately-owned systems; and

WHEREAS, in its rate cases, the CPUC is charged with protecting both the fiscal stability of the for-profit water utilities and the interests of ratepayers; and

WHEREAS, the CPUC's Office of Ratepayer Advocates consistently favors the interests of investor-owned utilities over the interests of California residents and ratepayers; and

WHEREAS, this institutional and systematic imbalance has resulted in excessively high water rates, annual double-digit rate increases in water bills, and financial hardship to residents and homeowners throughout the state; and

WHEREAS, over the past decade, many cities and communities, including Lancaster, have sought relief for their residents through the CPUC, legislature, and/or courts, at significant cost and with little meaningful success.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the Lancaster City Council supports statewide legislative reforms to the CPUC ratemaking process to achieve fair, equitable, and financially affordable rates for California customers of investor-owned, for-profit water utilities.

SECTION 2. That the Lancaster City Council supports the statewide Coalition to End Water Rate Abuse in its efforts to achieve fair and equitable protection for the rights of all ratepayers served by investor-owner, for-profit water utilities through legislative relief and/or class action litigation.

SECTION 3. That the goals of the Coalition to End Water Rate Abuse are consistent with the Lancaster City Council's more than two-year-long effort to pursue equitable and fair relief for its residents served by the investor-owned, for-profit water utility, California Water Service Company.

PASSED, APPROVED and ADOPTED this 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____, City of Lancaster, CA. do hereby certify that this is a true and correct copy of the original Resolution No. 17-58, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____, day of _____, _____.

(seal)

**MEMORANDUM
CITY OF LANCASTER, CA**

TO: Mayor Parris and City Council Members

FROM: Vice Mayor Marvin Crist

DATE: November 14, 2017

SUBJECT: **Report on the Activities of the Board of Directors for District No. 14 of the County Sanitation Districts of Los Angeles County**

Recommendation:

Receive a report of the proceedings and issues discussed at the September 12, 2017 District No. 14 Board of Directors regular meeting of the County Sanitation Districts of Los Angeles County (District).

Background:

District No. 14 of the County Sanitation Districts of Los Angeles County is organized to receive through their trunk sewers the wastewater from all of the City of Lancaster, a small region of the westerly portion of the City of Palmdale, and a smaller region of the unincorporated County of Los Angeles. A Board of Directors comprised of a representative from each city and the County generally meets monthly to review and decide upon the business of the District.

The Board of Directors considered the following agenda items at September 12, 2017 regular meeting:

- 1) Upon motion of Director Ledford, duly seconded and unanimously carried, Director Crist was elected Chairperson pro tem.
- 2) The Chairperson pro tem read a prepared statement.
- 3) The meeting was adjourned by the Chairperson pro tem.

**MEMORANDUM
CITY OF LANCASTER, CA**

TO: Mayor Parris and City Council Members

FROM: Vice Mayor Marvin Crist
Council Member Angela Underwood-Jacobs

DATE: November 14, 2017

SUBJECT: **Report on the Activities of the Board of Directors for the Antelope Valley Transit Authority**

Recommendation:

Receive a report of the proceedings and issues discussed at the September regular Board of Directors meeting of the Antelope Valley Transit Authority (AVTA).

Background:

The Antelope Valley Transit Authority is a distinct government entity created under a joint powers authority agreement between the City of Lancaster, the City of Palmdale, and Los Angeles County that provides public transit services. Vice Mayor Marvin Crist serves as the Chairman and Council Member Angela Underwood-Jacobs serves as a Director on the AVTA Board for the City of Lancaster.

The following significant events took place at the regular September Board meeting:

Present: Chairman Marvin Crist
Vice Chair Dianne Knippel
Director Angela Underwood-Jacobs
Director Austin Bishop
Director Michelle Flanagan
Director Steve Hofbauer

Adopt Hazard Mitigation Plan.

Adopted Hazard Mitigation Plan as presented.
Approved (6-0-0-0).

Award Contract #2018-01 to Green Commuter for commuter vanpool service provider with zero emission fleet.

The Board discussed the infrastructure, locations of charging stations, low evaluation score, partnership agreement between the AVAQMD and the cities of Lancaster and Palmdale, and exploring other options. Mr. Engel provided information regarding the possibility of performing the vanpool service in-house. Staff will research other options and present them at the October 24, 2017 board meeting. A motion was made to reject all applicants and start again. Motion Approved (6-0-0-0).

Award multiple agreements under Contract #2017-41 for on-call A&E, material testing, and project management services.

Authorized the Executive Director/CEO to execute two agreements under Contract #2017-41 for on-call A&E, material testing, and project management services with the following firms: Huitt-Zollars, Inc., Thousand Oaks, CA and Duke Engineering, Inc., Lancaster, CA.

Approved (6-0-0-0).

Lease agreement between the Antelope Valley Transit Agency and Access Services.

Authorized the Executive Director/CEO to execute a lease agreement with Access Services for a three-year term, with lease options for an additional two years, and to furnish office space for their eligibility contractor to provide on-site eligibility screening of their Antelope Valley clients.

Approved (6-0-0-0).