



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

**Tuesday**

**January 9, 2018**

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 Friday, January 5, 2018

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

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**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/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**

Boy Scout Chaplain Aid, Patrick Buxton

**PLEDGE OF ALLEGIANCE**

Boy Scout Troop 39 Antelope Valley

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**PRESENTATIONS**

1. Recognition of Lancaster Community Contributor, Emmett Murrell  
Presenter: Mayor Parris
  
2. Presentation and thank you from Jim Hawse to Lancaster City Council  
Presenter: Mayor Parris and Jim Hawse
  
3. Proclamation of January as Human Trafficking Awareness Month  
Presenter: Mayor Parris
  
4. Presentation of 2017 American Public Works Association Award for Best Improvement for Public Safety – 2017 Summer of Sidewalks Program  
Presenter: Jeff Hogan, Development Services Director
  
5. Presentation of California Water Environmental Association (CWEA) Collections Person of the Year – Michael Armstrong  
Presenters: Mayor Parris and Jeff Hogan, Development Services Director

**HOUSING AUTHORITY ACTIONS**

**CONSENT CALENDAR**

**HA CC 1.** Approve the Loan Agreement between the Lancaster Housing Authority and InSite Development, LLC, a California Limited Liability Company for the construction of the proposed Kensington Campus Multifamily Residential Project located at the proposed 32<sup>nd</sup> Street West and Avenue I.

On November 14, 2017, the Lancaster Housing Authority and City of Lancaster approved the Disposition and Development Agreement between the Lancaster Housing Authority and InSite Development, LLC for Property located at future 32<sup>nd</sup> Street West and West Avenue I. InSite Development, LLC, a California limited liability company, or an affiliate thereof (“Borrower”) plans to finance the acquisition, construction, and development of a multifamily rental housing development commonly known as Kensington Campus located at the proposed 32<sup>nd</sup> Street West and Avenue I, in the City of Lancaster, California. The Lancaster Housing Authority, in partnership with InSite Development LLC, is intending 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. Developers are required on the affordable units to have deed restrictions that limit rents for a period of fifty-five years. Taking into consideration the extraordinary use and/or quality restrictions imposed on the developer, there must be subsidies available and/or incentives to complete and operate quality affordable housing projects. Therefore, the HOME “Program Income” Loan is a no interest loan due and payable upon sale of property or transfer of title.

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**SUCCESSOR AGENCY ACTIONS**

**CONSENT CALENDAR**

**SA CC 1.** Authorize the City Manager or his designee to subordinate the Successor Agency's existing lien with Antelope Valley Mazda, Inc. to allow for the installation of solar panels at the dealership site and authorize the City Manager or his designee to execute all related documents.

In keeping with the City of Lancaster's net-zero electricity goals, AV Mazda is seeking to install solar power at its dealership. This represents a new opportunity to integrate still more renewable energy into Lancaster's energy portfolio at no cost to the City. In order to make this possible, the Successor Agency must subordinate its lien on the property to another lender, who will provide the construction financing needed for the solar power. The form of subordination agreement will be prepared by the Successor Agency, AV Mazda or the lender as part of the new lender's closing. The sole purpose of this agreement will be subordination.

**NEW BUSINESS**

**SA NB 1.** Recognized Obligation Payment Schedule for the Period July 1, 2018 to June 30, 2019

Recommendation:

Adopt **Resolution No. SA 01-18**, approving the Recognized Obligation Payment Schedule for the period July 1, 2018 to June 30, 2019 and direct staff to bring before the Lancaster Successor Agency Oversight Board for approval.

Health & Safety Code Section 34177(o)(1) requires the Successor Agencies of the previous redevelopment agencies to prepare Recognized Obligation Payment Schedules (ROPS) that list obligations to be paid for the coming July 1 to June 30. These schedules are used by the County Auditor-Controller in determining the amount of property tax revenues to distribute to the Successor Agency.

**SA NB 2.** Successor Agency Administrative Budgets for the Periods July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019

Recommendation:

Adopt **Resolution No. SA 02-18**, approving the Successor Agency Administrative Budgets for the periods of July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019, as detailed in Attachments A & B.

Health and Safety Code Section 34177(j) requires successor agencies to adopt six month budgets. These budgets are developed from the enforceable obligations listed on the Recognized Obligation Payment Schedule for the period July 1, 2018 to June 30, 2019. Each budget recommended for approval covers the corresponding six month periods of July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019.

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**COUNCIL ACTIONS**

**MINUTES**

**M 1.** Approve the City Council/Successor Agency/Financing/ Power/ California Choice Energy Authority Regular Meeting Minutes of December 12, 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 November 26, 2017, through December 16, 2017 in the amount of \$13,069,232.72.

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.** Accept and approve the November 2017, Monthly Report of Investments as submitted.

Each month, the Finance Department prepares a report listing the investments for all separate entities under the jurisdiction of the City as identified in the City's Comprehensive Annual Financial Report.

**CC 4.** Approve Agreement to Terminate Memorandum of Understanding and Power Purchase Agreement between the Lancaster Power Authority and Morgan Solar, Inc.; and authorize the City Manager, or his designee, to execute all documents and make any non-substantive changes necessary to complete the transaction.

On July 12, 2011, Lancaster Power Authority and Morgan Solar, Inc. entered into a Memorandum of Understanding and Power Purchase Agreement (MOU), whereby Morgan would utilize property owned by the City of Lancaster (City) to install and operate a Solar Generation Facility (Facility) and the Authority would have the opportunity to purchase the electrical output from the facility at a rate certain for a term of twenty (20) years. Morgan desires an earlier termination of the MOU, and desires transfer of ownership of the Facility to the City of Lancaster. Upon acceptance of the termination, the City shall be the sole owner of the Facility and the sole recipient of all benefit from Net Energy Metering paid by SCE. In addition, the City will be responsible for all costs associated with maintaining, repairing, and/or decommissioning the Facility, as well as for all applicable taxes.

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**PUBLIC HEARING**

**PH 1.** TEFRA Hearing/Approval of Multifamily Housing Revenue Bonds for Kensington Campus Multifamily Residential Project

Recommendation:

Adopt **Resolution No. 18-01**, pursuant to Section 147(f) of the Internal Revenue Code of 1986 approving the issuance of housing revenue bonds (the “Housing Revenue Bonds”) by the California Municipal Finance Authority (“CMFA”) in an aggregate principal amount not to exceed \$15,000,000 to assist in the financing of the acquisition, construction and development of a multifamily rental housing development to be known as Kensington Campus located at the proposed 32<sup>nd</sup> Street West and Avenue I, in the City of Lancaster, California (the “Project”).

InSite Development, LLC, a California limited liability company, or an affiliate thereof (“Borrower”) plans to finance the acquisition, construction and development of a multifamily rental housing development commonly known as Kensington Campus located at the proposed 32<sup>nd</sup> Street West and Avenue I, in the City of Lancaster, California. The Borrower requests that the City approve CMFA’s issuance of the Housing Revenue Bonds in order to finance the above-mentioned project. The Housing Revenue Bonds will be tax-exempt private activity bonds for purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the area where the project to be financed is located.

**COUNCIL AGENDA**

**CA 1.** Consider nomination and appointment of King Moore to the Planning Commission  
Presenter: Mayor Parris

**CA 2.** Appropriate \$15,000 to assist with Sexual Assault Awareness Services (SARS)  
Presenters: Mayor Parris and Council Member Underwood-Jacobs

**CA 3.** Discussion and possible action regarding opioid crisis  
Presenter: Mayor Parris

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**COUNCIL REPORTS**

- CR 1.** Report on Economic Development meeting with Deputy Mayor Marvin Kropke  
Presenter: Mayor Parris
- CR 2.** Report on the Activities of the Board of Directors for District No. 14 of the County Sanitation Districts of Los Angeles County  
Presenter: Vice Mayor Crist
- CR 3.** Council Reports

**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.

**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  
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**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. Smith v. Lancaster, LASC Case No. MC 027485
11. 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, January 23, 2018 - 5:00 p.m.**



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**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.

**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.

**STAFF REPORT**  
**Lancaster Housing Authority**

HA CC 1
01/09/18
MVB

Date: January 9, 2018

To: Chair Szeto and Authority Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Approve Loan Agreement between the Lancaster Housing Authority and InSite Development, LLC, a California Limited Liability Company for the Construction of the proposed Kensington Campus Multifamily Residential Project located at the proposed 32<sup>nd</sup> Street West and Avenue I**

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**Recommendation:**

Approve the Loan Agreement between the Lancaster Housing Authority and InSite Development, LLC, a California Limited Liability Company for the construction of the proposed Kensington Campus Multifamily Residential Project located at the proposed 32<sup>nd</sup> Street West and Avenue I.

**Financial Impact:**

The Lancaster Housing Authority will loan the developer \$700,000 from the HOME “Program Income” Budget Fund 391-3604-100 . The HOME “Program Income” Loan is a no interest loan due and payable upon sale of property or transfer of title.

**Background:**

On November 14, 2017, the Lancaster Housing Authority and City of Lancaster approved the Disposition and Development Agreement between the Lancaster Housing Authority and InSite Development, LLC for Property located at future 32<sup>nd</sup> Street West and West Avenue I.

InSite Development, LLC, a California limited liability company, or an affiliate thereof (“Borrower”) plans to finance the acquisition, construction, and development of a multifamily rental housing development commonly known as Kensington Campus located at the proposed 32<sup>nd</sup> Street West and Avenue I, in the City of Lancaster, California.

The Lancaster Housing Authority, in partnership with InSite Development LLC, is intending 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. Developers are required on the affordable units to have deed restrictions that limit rents for a period of fifty-five years. Taking into consideration the extraordinary use and/or quality restrictions imposed on the developer, there must be subsidies available and/or incentives to complete and operate quality affordable housing projects. Therefore, the HOME “Program Income” Loan is a no interest loan due and payable upon sale of property or transfer of title.

The developer will own and operate the affordable multifamily housing units. 50 of the 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. OPCC, a non-profit corporation, will lease the auxiliary buildings from InSite Development; 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.

In exchange for receiving a loan from the Lancaster Housing Authority, InSite Development, LLC, has agreed to enter into a Declaration of Conditions, Covenants and Restrictions and a Regulatory Agreement to restrict the rental and occupancy of fifty (50) of the fifty-one (51) units which will benefit the Authority’s inclusionary housing requirements. Such units will be subject to occupancy and affordability restrictions recorded against the property as required by Health & Safety Code 33334.2(e)(2).

Staff believes that the construction of the multi-family housing project and homeless facility is 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 approve the Loan Agreement.

**Attachment:**  
Loan Agreement

## LOAN AGREEMENT

This **LOAN AGREEMENT** (this “Agreement”) is made and entered into as of March 1, 2018, 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”) (the Developer and the Authority are collectively referred to herein as the “Parties”).

### *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. The Authority is authorized pursuant to the Community Redevelopment Law and Housing Authorities Law to provide subsidies to, or for the benefit of, persons and families of low or moderate income and very low income households, to assist them to obtain housing within the community.

D. The Authority has established a Home Investment Partnerships Program (“HOME”) Program Income Account to receive funds from previously approved HOME Program/Projects approved by the United States Department of Housing and Urban Development (“HUD”) pursuant to the federal HOME Investment Partnerships Act and HOME Investment Partnerships Program, 42 U.S.C. Section 12701, *et seq.*, and the implementing regulations thereto set forth in 24 CFR § 92.1, *et seq.* for the purposes of strengthening public-private partnerships to provide more affordable housing, and particularly to provide decent, safe, sanitary, and affordable housing for very low income and lower income citizens of the City of Lancaster (the “HOME Program”) funds.

E. By this Agreement and in consideration of Developer's performance of the covenants set forth in this Agreement and otherwise subject to the terms and conditions herein,

the Authority desires to provide to the Developer a loan to fund a portion of the costs associated with the construction of a fifty one (51) multifamily residential unit project. In consideration for the Authority Loan, Developer has agreed to restrict the rental and occupancy of fifty (50) units to Qualified Residents (as defined herein).

F. 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.

G. 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.

H. 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.

I. 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.

J. 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 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.

K. Completing the construction and renting of the Property pursuant to this Agreement is in the vital and best interest of the City of Lancaster (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 laws.

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

## 100. DEFINITIONS

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

**“Affordability Period”** shall mean the period beginning upon the first day of the first full month following the date on which the Declaration is executed by the parties thereto and recorded in the office of the Los Angeles County Recorder, and ending on the last day of the 660th month thereafter, unless the Declaration is sooner terminated or released by the Authority or by operation of the provisions of any documents evidencing or securing the interest of any holder of a first lien deed of trust.

**“Affordable Units”** shall mean each of the fifty (50) HOME units at the proposed 32<sup>nd</sup> Street West and Avenue I, which shall be designated as HOME Affordable Units and continuously occupied by or made available for occupancy by Qualified Residents for the duration of the Affordability Period.

**“Affordable Rents”** shall mean (i) lower income households whose gross incomes exceed the maximum income for very low income households, the product of 30 percent times 65 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 65 percent of the area median income adjusted for family size, affordable rent may be established at a level not to exceed 30 percent of gross income of the household. Affordable rents shall be determined in the same manner as pursuant to HOME requirements.

**“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 Loan”** means the Authority's loan in the principal amount of Seven Hundred Thousand Dollars (\$700,000) to the Developer, as provided in Section 201 herein.

**“Authority Loan Deed of Trust”** means the Deed of Trust With Assignment of Rents, Security Agreement, Financing Statement and Fixture Filing to be recorded against the Property as security for the payment of sums owing pursuant to the Authority Loan Promissory Note, in the form attached hereto as Attachment No. 3, which is incorporated herein.

**“Authority Loan Promissory Note”** means the promissory note to be executed by the Developer in favor of the Authority, as set forth in Section 201 hereof, in the form of the Promissory Note which is attached hereto as Attachment No. 2 and incorporated herein by reference.

**“Agreement”** means this Loan Agreement between Authority and the Developer.

**“City”** means the City of Lancaster, California, a California municipal corporation. The City is not a party to this Agreement and shall have no obligations hereunder.

**“Code”** means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

**“Conditions Precedent”** means the conditions precedent to the disbursement of the Authority Loan as set forth in Section 202 hereof.

**“Date of Disbursement”** shall mean the date upon which the total proceeds of the Authority Loan have been disbursed to or on behalf of the Developer.

**“Declaration”** shall mean that Declaration of Conditions, Covenants and Restrictions substantially in the form of Attachment No. 4, attached hereto and incorporated herein by reference, which sets forth certain obligations with respect to the occupancy and maintenance of the Affordable Units in the Property, and is to be recorded against the Property pursuant to this Agreement.

**“Default”** means the failure of a party to this Agreement 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 502 hereof.

**“Developer”** means InSite Development, LLC, a California Limited Liability Corporation.

**“Direct Services Impact Fees”** shall mean and refer only to the following fees imposed by the Public Works Department of the City, Drainage Annexation Fee, Traffic Impact Fee, Traffic Signal Fee and Street Improvement Fee.

**“Effective Date of Agreement”** is that date set forth in the first paragraph of this Agreement.

**“HCD”** shall mean the State of California Department of Housing and Community Development.

**“Improvements”** means the 51 (or such other number as may be permitted by applicable laws or regulations and as may be commercially feasible at the time) multifamily residential units, along with all appurtenant on-site and off-site improvements and all fixtures and equipment to be constructed or installed on or about the Property.

**“Lower Income Resident”** shall mean individuals or families whose adjusted income does not exceed eighty percent (80%) of the area median gross income, adjusted for family size.

**“Notice”** shall mean a notice in the form prescribed by Section 601 hereof.

**“Project”** means the Property and the Improvements.

**“Property”** means that parcel of real property located at the proposed 32<sup>nd</sup> Street West and Avenue I in the City of Lancaster as more particularly described in the Property Legal Description.

***“Property Legal Description”*** means the description of the Property, which is attached hereto as Attachment No. 1 and incorporated herein by reference.

***“Qualified Residents”*** means residents of the Project who are Lower Income Residents.

***“Qualified Tenant”*** shall mean persons or families who are Lower Income Resident.

***“Rent”*** means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. Affordable rents shall be determined in the manner as pursuant to HOME requirements.

## **200. AUTHORITY FINANCIAL ASSISTANCE**

**201. Authority Loan.** Subject to all of the terms, covenants and conditions which are set forth herein and upon satisfaction of the Conditions Precedent set forth in Section 202 hereof, the Authority hereby agrees to fund to Developer the sum of Seven Hundred Thousand Dollars (\$700,000) (the “Authority Loan”). The Developer's obligation to repay the Authority Loan shall be evidenced by the Authority Loan Promissory Note and secured by the Authority Loan Deed of Trust encumbering the Property and Improvements. The proceeds of the Authority Loan shall be disbursed directly to the Developer or to vendors, contractors or sub-contractors designated by the Developer upon request. Said proceeds shall be used by Developer for the sole purpose of constructing the Improvements as provided herein. Except for transfers permitted pursuant to Section 603 or approved by the Authority, all interest and principal of the Authority Loan is due and payable upon transfer of title or sale of property. No interest shall accrue with respect to the Authority Loan Promissory Note during the term of the loan.

**202. Conditions Precedent to Disbursement of Authority Loan.** Subject to all of the terms, covenants and conditions set forth in this Agreement, the Authority shall disburse the Authority Loan to or on behalf of the Developer upon satisfaction of the following conditions precedent (the “Conditions Precedent”) in Authority’s reasonable judgment.

**(a) Execution and Delivery of Documents.** Developer shall have executed and delivered to the Authority the Authority Loan Promissory Note and the Authority Loan Deed of Trust, and any other documents and instruments in connection with the Authority Loan as may be reasonably required to be executed and delivered by Developer to evidence the intentions of the parties contracted herein.

**(b) Recordation.** The escrow holder selected by the Authority and reasonable accepted by the Developer is prepared to record the Authority Loan Deed of Trust against the Property in the proper recording order pursuant to escrow instructions approved by the Authority,



at the time of the first disbursement of any of the proceeds of the Authority Loan.

(c) **Title to Land.** The Authority shall be satisfied that upon the disbursement of the Authority Loan, Developer will have good and marketable fee title to the Property, and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever, other than liens for current real property taxes and assessments not yet due and payable, the lien of any construction or permanent financing to which the Authority loan shall be subordinate, and any other matters specifically approved in writing by the Authority.

(d) **No Default.** There shall exist no condition, event or act which would constitute an Event of Default (as hereinafter defined) hereunder or which, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

(e) **Representations and Warranties.** All representations and warranties of Developer herein contained shall be true and correct as of the Date of Disbursement.

(f) **Environmental Clearance.** 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.

**203. Representations and Warranties.** Developer represents and warrants to Authority as follows:

(a) **Authority.** Developer is a duly organized California limited liability company organized pursuant to, existing by virtue of and in good standing under the laws of the State of California. Developer has full right, power and lawful authority to accept the Authority Loan and to undertake all obligations as provided herein. The execution, performance and delivery of this Agreement by Developer have been authorized by all requisite actions on the part of the Developer. The parties who have executed this Agreement on behalf of Developer are authorized to bind Developer by their signatures hereto.

(b) **Title.** Developer, at the time of the disbursement of the Loan, has fee title to the Property.

(c) **Litigation.** To the best of Developer's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law or in equity, before any court or governmental agency, domestic or foreign, which, if resolved against the Developer, would have a material adverse affect on Developer's ability or authority to perform its obligations under this Agreement.

(d) **No Conflict.** To the best of Developer's knowledge, 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.

(e) **No Developer Bankruptcy.** Developer is not the subject of a bankruptcy proceeding.

(f) **Submissions.** To Developer's best knowledge, all of the items and information submitted to the Authority hereunder with respect to the Developer, the Property and the Improvements are true, correct and complete in all material respects.

Until the Date of Disbursement, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 203 not to be true as of the Date of Disbursement of the Authority Loan, immediately give written notice of such fact or condition to Authority. Such exception(s) to a representation shall not be deemed a breach by Developer hereunder, but shall constitute an exception, which Authority shall have a right to approve or disapprove. If the Authority disapproves of such an exception and the Developer is unable to eliminate the exception, the Authority may terminate this Agreement.

**204. HOME Program Income Moneys.** The Authority will use HOME Program Income in the amount of Seven Hundred Thousand Dollar (\$700,000) (the "HOME Program Income"). The City shall disburse such funds for use by the Developer for the sole purpose of constructing the multifamily housing Project.

### **300. CONSTRUCTION OF THE PROPERTY**

**301. Construction of the Property.** The Developer agrees to construct the Improvements on the Property with commercially reasonable diligence and care in accordance with approved plans and specifications, applicable laws, and regulations.

**302. Cost of Construction.** Except for the proceeds of the Authority Loan, the cost of the construction of the Project and any additional costs of completing the construction of the Project shall be the sole responsibility of the Developer.

**303. Commencement of Construction.** The Developer hereby covenants and agrees to use commercially reasonable efforts to ensure the commencement of construction of the Improvements within thirty (30) days after the date that the Authority and/or City informs Developer that the Conditions Precedent have been satisfied and the proceeds of the Authority Loan are available for disbursement.

**304. Completion of Construction.** The Developer hereby covenants and shall cause to be diligently prosecuted to completion, the construction of the Improvements and to use commercially reasonable efforts to cause the completion of such construction work and the filing of a Notice of Completion pursuant to California Civil Code Section 3093 within twenty-four (24) months after the Date of Disbursement.

**305. City and Other Governmental Agency Permits.** Before commencement of the construction of the 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, including, without limitation, building permits. It is understood that the Developer is obligated to submit to the City final drawings with final

corrections to obtain such permits. The City shall waive “Developmental Impact Fees” in connection with development of the Property. The staff of the Authority will, without obligation to incur liability or expense therefore, 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 in affect on the Date of Disbursement.

**306. Insurance.** Developer shall maintain, during the term of the Affordability Period, an all-risk property insurance policy insuring the multifamily housing project in an amount equal to the full replacement value of the real property, together with flood insurance in conformance with the Flood Disaster Protection Act, if this property is located in a flood zone. The policy shall contain a statement of obligation on behalf of the carrier to notify the Authority of any material change, cancellation or termination of coverage at least thirty (30) days in advance of the effective date of such material change, cancellation or termination. Developer shall transmit a copy of the certificate of insurance to Authority within thirty (30) days of the Effective Date of this Agreement, and Developer shall annually transmit to Authority a copy of the certificate of insurance, signed by an authorized agent of the insurance carrier setting forth the general provisions of coverage. The copy of the certificate of insurance shall be transmitted to Authority at the address set forth in Section 601 hereof. Any certificate of insurance must be in a form, content, and with companies reasonably acceptable to the Authority.

**307. Indemnity.** Developer shall, at its expense, defend, indemnify, and hold harmless the Authority and the City and their respective officials, officers, agents, employees and representatives from any and all losses, liabilities, claims, lawsuits, causes of action, judgments, settlements, court costs, attorneys' fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other damages of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of Developer or its agents, employees, contractors or subcontractors of any tier, or employees thereof, in connection with or arising from Developer's performance or nonperformance of its obligations under this Agreement, or the construction of the Improvements on the Property, including those arising from or otherwise connected with a failure to comply with Section 308 hereof, except for any and all losses, liabilities, claims, lawsuits, causes of action, judgments, settlements, court costs, attorneys' fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other damages of whatsoever nature arising from the negligence or misconduct of the Authority or City or their respective officials, officers, agents, employees or representatives.

**308. Compliance With Laws.** The Developer shall carry out the design, construction and operation of the Improvements in conformity with all applicable laws, including all applicable state labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, the provisions of Labor Code Section 1720 *et seq.* relating to prevailing wages as to which the Authority makes no representations and all applicable laws and regulations pertaining to disabled and handicapped access requirements, including without limitation (to the extent applicable) the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.* Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, and the Fair Housing Act, 42 U.S.C. Section 3601, *et seq.*

(a) **Changes in Laws.** Notwithstanding anything herein to the contrary,

Authority shall not be responsible for any costs imposed upon the Developer pursuant to any changes in governmental requirements made after the date of this Agreement which impose additional requirements upon the Developer solely as a result of the Authority's advance of the proceeds of the Authority Loan to the Developer or the Authority's imposition of the affordable housing requirements of Section 4 hereof, including, without limitation, any requirement for the payment of prevailing wages with respect to the construction of the Improvements and off-site improvements.

**(b) Taxes and Assessments.** The Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Property, subject to the Developer's right to contest in good faith any such taxes. The Developer shall remove or have removed any levy or attachment made on any of the Property or any part thereof, or assure the satisfaction thereof within a reasonable time.

**(c) Liens and Stop Notices.** The Developer shall not allow to be placed on the Property or any part thereof any lien or stop notice other than the lien(s) in connection with the construction and permanent financing of the Project. If a claim of a lien or stop notice is given or recorded affecting the Improvements, the Developer shall within ten (10) days of such recording or within ten (10) days of the Authority's demand whichever last occurs.

(i) pay and discharge the same; or

(ii) effect the release thereof by recording and delivering to the Authority a surety bond in sufficient form and amount, or otherwise; or

(iii) provide to the Authority such alternate assurance which the Authority deems, in its reasonable discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of the Authority from the effect of such lien or bonded stop notice.

#### **400. AFFORDABLE HOUSING HOME PROGRAM INCOME REQUIREMENTS**

**401. Affordable Units.** During the entire term of the Affordability Period, Developer agrees to make available, restrict occupancy to, and rent at Affordable Rents fifty (50) of the fifty one (51) units in the Kensington Campus multifamily housing project to Qualified Residents (the "HOME Affordable Units"). In addition to any requirements of the Code, Developer agrees to comply with the provisions of 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 Health and Safety Code.

**402. Income Level of Tenants.** During the Affordability Period, Developer agrees to make available, restrict occupancy to, and rent each of the HOME Affordable Units and Program Affordable Units to Qualified Tenants. Developer agrees to comply with the applicable provisions of 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 Health and Safety Code.

#### **403. Income Verification**

(a) In the event a recertification of a resident's income in accordance with subsection (b) below demonstrates that such resident no longer qualifies as a Qualified Resident of the Affordable Unit occupied by such resident, but such resident qualifies as an otherwise eligible household, the rents appropriate for that income level shall be charged. If the income of a Qualified Resident of the Affordable Unit occupied by such resident upon re-certification no longer qualifies as a Qualified Resident, and there are no other requirements statutorily imposed by another Federal or State funding source or tax credit program, that tenant shall not have its lease terminated as a result thereof, but must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted monthly income; except that, Assisted Units subject to low-income tax credit rules under section 42 of the Internal Revenue Code shall be governed by such rules.

(b) Immediately prior to a Qualified Resident's occupancy of an Affordable Unit, the Covenantor will obtain and maintain on file a certified statement of income on a form to be approved by the Covenantee from each Qualified Resident occupying said Affordable Unit, dated immediately prior to the initial occupancy by each Qualified Resident. In addition, the Covenantor will provide to the Covenantee such further information as may be reasonably required in the future by the State of California and/or the HOME Program, as the same may be amended from time to time as reasonably requested by the Authority's HOME Program administrator.

**404. 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.

**405. Uses In Accordance with Redevelopment Plan.** The Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that during the Affordability Period the Developer and such successors and assignees shall devote the Property to the uses specified in the Redevelopment Plan, the Declaration and this Agreement for the periods of time specified therein. The foregoing covenants shall run with the land for the term of the Affordability Period.

**406. Nondiscrimination.** The Developer 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, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Developer 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 vendors of the Property. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Authority, its successors and assigns, the City and any successor in interest to the Property, or any part thereof. The foregoing covenants shall run with the land for the term of the Affordability Period.

**407. Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction.** The Authority is deemed the beneficiary of the terms and provisions of this Agreement 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 Agreement and the covenants running with the land have been provided. The Agreement 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 this Agreement or Developer's covenants contained herein 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 Agreement and covenants may be entitled. The foregoing covenants shall run with the land for the term of the Affordability Period.

**408. 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 which are set forth in the Declaration. 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 Declaration and such condition is not corrected within ten (10) days after written notice from the Authority (with a copy to the then existing lenders for the project) with respect to graffiti, debris, waste material, and general maintenance, or thirty days (or such longer period of time as is reasonably necessary to correct the condition) 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 five percent (5%) administrative charge, which amount shall be promptly paid by Developer to the Authority upon demand. The foregoing covenants shall run with the land for the term of the Affordability Period.

**409. 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 Declaration. 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 Declaration, the Authority shall provide

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 Declaration 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 shall not be related to or affiliated with the Developer. The foregoing covenants shall run with the land for the term of the Affordability Period.

## **500. DEFAULT AND REMEDIES**

**501. Events of Default.** Each of the following shall constitute an “Event of Default” by Developer under this Agreement:

(a) **Failure to Construct the Improvements.** Failure of Developer to commence, diligently continue, or construct the Improvements on the Property within the time set forth in Section 303 above.

(b) **Failure to Lease Affordable Units to Qualified Tenants.** Failure of the Developer to lease or to make available for occupancy each of the Affordable Units to Qualified Tenants during the Affordability Period, as set forth in Section 400 hereof and the Declaration, which is not cured upon thirty days written notice to the Developer, or such longer period as is reasonably necessary to cure the default.

(c) **Failure to Pay Principal and Interest on Authority Loan.** Failure by the Developer to make timely payments of principal and interest as provided in the Authority Loan Promissory Note within ten days of receiving written notice from Authority.

(d) **Breach of Covenants.** Failure by Developer to materially perform, comply with, or observe any of the conditions, terms, or covenants of this Agreement, and such failure having continued uncured, or without Developer commencing to diligently cure, for thirty (30) days after notice thereof in writing given by the Authority to Developer in accordance with Section 601 hereof; provided, however, that if a different period or notice requirement is specified under any other subsection in accordance with Section 500, such specific provisions shall control.

(e) **Material Misstatement or Omissions.** Any omission, representation or warranty contained in this Agreement or in any application, financial statement, certificate or report submitted to the Authority in connection with the Authority Loan proves to have been misleading or intentionally distorted in any material respect when made.

(f) **Insolvency.** A court having jurisdiction shall have made or entered any decree or order (i) adjudging Developer to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of Developer or seeking any arrangement for Developer under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or the State of California, (iii) appointing a receiver, trustee, liquidator, or assignee of Developer in bankruptcy or insolvency or for any of its' properties, or (iv) directing the winding

up or liquidation of Developer, if any such decree or order described in clauses (i) to (iv), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days, unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period will apply under this subsection 501(f) as well; or Developer shall have admitted in writing under oath its inability to pay its debts as they become due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the Authority, the indebtedness evidenced by the Promissory Note.

**(g) Assignment or Attachment.** Developer shall have assigned its assets for the benefit of its creditors or suffered sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period shall apply under this subsection 501(g) as well) or prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the Authority, the indebtedness evidenced by the Promissory Note representing the Authority Loan contemplated hereunder. In the event that Developer is diligently working to obtain a return or release of the Property and Authority's interests under the Deed of Trust are not imminently threatened, the Authority shall not declare a default under this subsection.

**(h) Liens on Property.** A claim of lien (other than liens approved in writing by the Authority) shall have been filed against the Property or any part thereof or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Authority Loan and the continued maintenance of said claim of lien or notices to withhold for a period of ninety (90) days without discharge or satisfaction thereof or provision therefore satisfactory to the Authority; provided, however, that the Developer shall not be in default if the Developer (i) pays and discharges such lien, (ii) effects the release thereof by recording and delivering to the Authority a surety bond in sufficient form and amount, or (iii) provides the Authority with other assurance which the Authority deems to be satisfactory for the payment of such lien.

**(i) Defaults Under Other Loans.** Any default declared by any lender under any loan document related to any loans, other than the Authority Loan, secured by a deed of trust on the Property shall act to accelerate automatically, without the need for any action by the Authority, the indebtedness evidenced by the Promissory Note.

**(j) Prohibited Transfer.** There is a sale or other transfer in violation of Section 603 hereof.

**502. Authority Remedies.** The occurrence of any Event of Default which shall continue for a period of thirty (30) days (or such other period of time as provided in this Section (500) after written notice thereof by the Authority to the Developer, without the Developer commencing a cure of the Event of Default, acceptable to the Authority in its reasonable discretion, and diligently pursuing the cure shall relieve the Authority of any obligation to perform hereunder, including without limitation to make or continue the Authority Loan and



shall give the Authority the right to proceed with any and all remedies set forth in this Agreement, including but not limited to the following:

(a) **Specific Performance.** The Authority shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Developer to perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Agreement.

(b) **Right to Cure at Developer's Expense.** The Authority shall have the right to cure any monetary default by Developer under a loan or grant other than the Authority Loan; provided, however, that if the Developer is in good faith contesting a claim of default under a loan and the Authority's interest under this Agreement is not imminently threatened by such default, the Authority shall not have the right to cure such default. The Developer agrees to reimburse the Authority for any funds advanced by the Authority to cure a monetary default by Developer 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.

(c) **Termination by Authority.** The Authority shall have the right to terminate this Agreement and, at its sole option, to seek any remedies at law or equity available hereunder. In addition to Events of Default, the Authority may terminate this Agreement due to the failure of either party to satisfy all of the Conditions Precedent to the disbursement of the Authority Loan. In the event that the Authority terminates this Agreement after the disbursement of the Authority Loan, the amounts owing under the Promissory Note shall be immediately due and payable.

**503. Developer Remedies.** Upon the occurrence of any Event of Default by the Authority which continues for a period of thirty (30) days after written notice thereof to Authority without Authority commencing the cure of such breach and thereafter diligently proceeding to cure such breach, the Developer shall have all of the remedies available at law or in equity, including the following:

(a) **Specific Performance.** The Developer shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Authority to perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Agreement.

(b) **Termination by Developer.** The Developer shall have the right to terminate this Agreement for Defaults of the Authority which occur prior to the disbursement of the Authority Loan, or the failure of either party to satisfy all of the Conditions Precedent to the disbursement of the Authority Loan, which are not cured within the time set forth herein. Thereafter, neither party shall have any rights against the other under this Agreement. In no event shall the Developer be entitled to terminate this Agreement after the disbursement of all or any portion of the Authority Loan.

**504. Right of Contest.** Developer shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute an Event of Default hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to the

Authority or the rights of the Authority hereunder.

**505. Remedies Cumulative.** No right, power, or remedy given to the Authority or Developer by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Authority or Developer by the terms of any such instrument, or by any statute or otherwise against Developer and any other person. Neither the failure nor any delay on the part of the Authority to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the Authority of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

**506. Waiver of Terms and Conditions.** Either party hereto may, in its sole discretion, waive in writing any of the terms and conditions of this Agreement, without amending this Agreement. No waiver of any default or breach hereunder shall be implied from any omission by the other party to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by a party hereto or of any act requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or a waiver of any default under this Agreement, nor shall it invalidate any act done pursuant to notice of default, or prejudice the parties in the exercise of any right, power, or remedy under this Agreement, unless in the exercise of any such right, power, or remedy all obligations are paid and discharged in full.

**507. Non-Liability of Authority Officials and Employees.** No member, official, employee or agent of the Authority 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.

## **600. GENERAL PROVISIONS**

**601. 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 therefore 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  
Woodland Hills, California 91367  
Attention: Scott 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 601.

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 Mental Health Association of the Greater Los Angeles 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 601, 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

Any written notice, demand or communication shall be deemed received immediately upon receipt; provided, however, that refusal to accept delivery after reasonable attempts thereof shall constitute receipt. Any notices attempted to be delivered to an address from which the receiving party has moved without notice as provided hereunder shall be effective on the third day from the date of the attempted delivery or deposit in the United States mail.

**602. 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: 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; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts or omissions of the other party; acts or failures to act by the City, the Authority, or any other public or governmental Authority or entity (other than the acts or failures to act of Authority which shall not excuse performance by 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 Authority and Developer. The Executive Director of Authority shall have the authority on behalf of Authority to approve extensions of time.

**603. Transfers of Interest in Property or Agreement.**

**603.1 Prohibition.** The qualifications and identity of the Developer are of particular concern to Authority. It is in part because of those qualifications and identity that Authority has entered into this Agreement with the Developer. For the period commencing upon the date of this, 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 Property or the Improvements thereon without the prior written approval of Authority such approval not to be unreasonable withheld conditioned or delayed. Notwithstanding, any provision hereof to the contrary, the Developer may admit entities to the Developer to facilitate the syndication of Low-Income Housing Tax Credits or transfer the Property and assign its rights and obligations hereunder to a entity controlled by or under common control with InSite Development, LLC or the general partner of the Developer or make other reasonable transfers, encumbrances and assignments to secure the Project's loans and any refinancing of those loans.

**603.2 Successors and Assigns.** 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.

**603.3 Assignment by Authority.** Authority may assign or transfer any of its rights or obligations under this Agreement with the approval of the Developer, which approval shall not be unreasonably withheld; provided, however, that Authority may assign or transfer any of its interests hereunder to the City at any time without the consent of the Developer.

**604. Non-Liability of Officials and Employees of Authority.** No member, official, officer or employee of 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 Authority (or the City) or for any amount which may become due to the Developer or its successors, or on any obligations under the terms of this Agreement.

**605. Relationship Between Authority and Developer.** It is hereby acknowledged

that the relationship between Authority and Developer is not that of a partnership or joint venture and that Authority and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, including the Attachments hereto, Authority shall have no rights, powers, duties or obligations with respect to the development, construction, operation, maintenance or management of the Project.

**606. Authority Approvals and Actions.** Whenever a reference is made herein to an action or approval to be undertaken by Authority, the Executive Director of Authority or his or her designee is authorized to act on behalf of Authority, unless specifically provided otherwise by this Agreement or by applicable laws or regulations.

**607. 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 three (3) originals, each of which is deemed to be an original.

**608. 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 into 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 constitutes 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.

**609. Real Estate Brokers.** Authority and Developer each represent and warrant to the other that no broker or finder is entitled to any fee in connection with this transaction, and each agrees to defend and hold harmless the other from any claim to any such fee resulting from any action on its part.

**610. No Third Party Beneficiaries.** Notwithstanding any other provision of this Agreement to the contrary, nothing herein is intended to create any third party beneficiaries to this Agreement, and no person or entity other than Authority and Developer, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

**611. 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. References to section numbers are to sections in this Agreement, unless expressly stated otherwise.

**612. Interpretation.** As used in this Agreement, the 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.

**613. 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.

**614. 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.

**615. 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 and performance shall be made on the next business day. 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.

**616. Legal Advice.** Each party represents and warrants to the other that: (i) they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any rights which they may have; (ii) 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, (iii) 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.

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

**618. 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.

**619. 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 this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

**620. Time for Acceptance of Agreement by Authority.** This Agreement, when executed by the Developer and delivered to Authority, must be authorized, executed and delivered by Authority on or before thirty (30) days after execution and delivery of this Agreement by the Developer or this Agreement shall be void, unless the Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of this

Agreement.

**IN WITNESS WHEREOF**, Authority and the Developer have executed this Loan Agreement as of the Effective Date of this Loan Agreement.

**INSITE DEVELOPMENT, LLC**  
a California Limited Liability Corporation

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

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Steve Eglash

**LANCASTER HOUSING AUTHORITY**, a public  
body corporate and politic

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Executive Director

**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 & Rauth  
Authority Counsel

**ATTACHMENT NO. 1**

**SITE 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 30<sup>TH</sup> STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF-WAY LINE OF 30<sup>TH</sup> 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 30<sup>TH</sup> STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30<sup>TH</sup> 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. 2

### AUTHORITY LOAN PROMISSORY NOTE

\$700,000.00

\_\_\_\_\_, \_\_, 2018  
Lancaster, California

**FOR VALUE RECEIVED, INSITE DEVELOPMENT, LLC**, a California Limited Liability Company (“Developer”), promises to pay to the **LANCASTER HOUSING AUTHORITY**, a public body corporate and politic (the “Authority”), or order at the Authorities’ office at 44933 North Fern Avenue, Lancaster, California 93534, or such other place as the Authority may designate in writing, the principal sum of Seven Hundred Thousand Dollars (\$700,000) (the “Note Amount”), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

**1. Agreement.** This Authority Loan Promissory Note (the “Note”) is given in accordance with that certain Loan Agreement executed by the Authority and the Developer, dated as of \_\_\_\_\_, 2018, (the “Agreement”). The rights and obligations of the Developer and the Authority under this Note shall be governed by the Agreement and by the additional terms set forth in this Note.

**2. Interest & Repayment of Note.** All interest and principal of the Authority Loan is due and payable on \_\_\_\_\_, 20\_\_\_. No interest shall accrue with respect to the Authority Loan Promissory Note during the term of this loan. The Developer may repay the Authority Loan in part or in full at any time, without penalty. Failure to declare such amounts due shall not constitute waiver on the part of the Authority of any of its rights hereunder. Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 12 below.

**3. Security.** This Note is secured by a Deed of Trust With Assignment of Leases and Rents, Security Agreement, Financing Statement, and Fixture Filing (the “Authority Loan Deed of Trust”) dated as of the same date as this Note.

#### **4. Waivers**

**(a)** Developer expressly agrees that this Note or any payment hereunder may be extended from time to time at the Authority's sole discretion and that the Authority may accept security in consideration for any such extension or release any security for this Note at its sole discretion.

**(b)** No extension of time for payment of this Note made by agreement by the Authority with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Developer under this Note, either in whole or in part.

**(c)** The obligations of Developer under this Note shall be absolute and Developer waives any and all rights to offset, deduct, or withhold any payments or charges due

under this Note for any reasons whatsoever.

**(d)** Developer waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights or interests in or to properties securing this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

**(e)** No previous waiver and no failure or delay by Authority in acting with respect to the terms of this Note or the Authority Loan Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the Authority Loan Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the Authority Loan Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

**5. Attorneys' Fees and Costs.** Developer agrees that, if any amounts due under this Note are not paid when due, to pay in addition, all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

**6. Joint and Several Obligation.** This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, if any, and shall be binding upon them and their heirs, successors and assigns.

**7. Amendments and Modifications.** This Note may not be changed orally, but only by an amendment in writing signed by Developer and by the Authority.

**8. Authority May Assign.** Authority may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Developer.

**9. Developer Assignment Prohibited.** Except in connection with transfers permitted pursuant to Section 603 of the Agreement, in no event shall Developer assign or transfer any portion of Developer's obligations under this Note without the prior express written consent of the Authority, which consent will not be unreasonably withheld .

**10. Terms.** Any terms not separately defined herein shall have the same meanings as set forth in the Agreement.

**11. Acceleration and Other Remedies.** Upon: (a) the occurrence of an Event of Default as defined in the Agreement, or (b) Developer selling, contracting to sell, giving an option to purchase, conveying, leasing of all or substantially all of the Property (other than leases of individual units, further encumbering or mortgaging, assigning or alienating any of the Property whether directly or indirectly whether voluntarily or involuntarily or by operation of law, or any interest in the Property, or suffering its title, or any interest in the Property to be divested, whether voluntarily or involuntarily, without the consent of the Authority as set forth in Section 603 of the Agreement, except for such transfers which are permitted pursuant to Section 603 of the Agreement, Authority may, at Authority's option, declare the outstanding principal amount of this

Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Authority Loan Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become due and payable without demand or notice, all as further set forth in the Authority Loan Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. Authority shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as Authority may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Authority in exercising any right hereunder, under the Agreement or under the Authority Loan Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of Authority's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment.

**12. Consents.** Developer hereby consents to: (a) any renewal, extension or modification (whether one or more) of the terms of the Agreement or the terms or time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof, (c) the granting of any other indulgences to Developer, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Developer or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

**13. Successors and Assigns.** Whenever "Authority" is referred to in this Note, such reference shall be deemed to include the Lancaster Redevelopment Authority and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Developer, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the Authority and Authority's successors and assigns.

**14. Usury.** It is the intention of Developer and Authority to conform strictly to the Interest Law, as defined below, applicable to this loan transaction. Accordingly, it is agreed that notwithstanding any provision to the contrary in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, the aggregate of all interest and any other charges or consideration constituting interest under the applicable Interest Law that is taken, reserved, contracted for, charged or received under this Note, or under any of the other aforesaid agreements or otherwise in connection with this loan transaction, shall under no circumstances exceed the maximum amount of interest allowed by the Interest Law applicable to this loan transaction. If any excess of interest in such respect is provided for in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, then, in such event:

(a) the provisions of this paragraph shall govern and control;

(b) neither Developer nor Developer's heirs, legal representatives, successors or assigns shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest allowed by the Interest Law applicable to this loan transaction;

(c) any excess shall be deemed canceled automatically and, if theretofore paid, shall be credited on this Note by Authority or, if this Note shall have been paid in full, refunded to Developer; and

(d) the effective rate of interest shall be automatically subject to reduction to the Maximum Legal Rate of Interest (as defined below) allowed under such Interest Law, as now or hereafter construed by courts of appropriate jurisdiction. To the extent permitted by the Interest Law applicable to this loan transaction, all sums paid or agreed to be paid to Authority for the use, forbearance or detention of the indebtedness evidenced hereby shall be amortized, prorated, allocated and spread throughout the full term of this Note. For purposes of this Note, "Interest Law" shall mean any present or future law of the State of California, the United States of America, or any other jurisdiction, which has application to the interest and other charges under this Note. The "Maximum Legal Rate of Interest" shall mean the maximum rate of interest that Authority may from time to time charge Developer, and against which Developer would have no claim or defense of usury under the Interest Law.

**15. No Personal Liability.** In the event of any default under the terms of this Note or the Authority Loan Deed of Trust, the sole recourse of the Authority for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee's power of sale, and neither the Developer nor any of its partners, members, directors or officers shall be personally liable for the payment of this Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights the Authority may have (as a secured party or otherwise) hereunder or under the Agreement or Authority Loan Deed of Trust to (a) recover directly from Developer any amounts secured by the Authority Loan Deed of Trust, or any funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by Authority as a result of fraud, intentional misrepresentation or bad faith waste; or (b) recover directly from the Developer any condemnation or insurance proceeds, or other similar funds or payments attributable to the Property which under the terms of the Authority Loan Deed of Trust should have been paid to the Authority, and any costs and expenses incurred by the Authority in connection with (a) or (b) above (including without limitation reasonable attorneys' fees and costs).

**16. Subordination.** The mortgage or deed of trust securing this Note is and shall be subject and subordinate in all respects to the license, terms, covenants and conditions of the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by Developer, as Trustor, naming U.S. Bank, National Association, as beneficiary securing the Multifamily Note as more fully set forth in the Subordination Agreement between U.S. Bank and Authority. In addition, the deed of trust securing this note shall be subordinate to a deed of trust encumbering a note in favor of the California Department of Housing and Community Development pursuant to a Subordination Agreement and an HCD Standard Agreement. The rights and remedies of the payee and each subsequent holder of this Note under

the Mortgage or deed of trust securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement.

**17. Miscellaneous.** Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. Developer acknowledges that this Note was entered into and is to be performed in the County of Los Angeles and irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Los Angeles or the United States District Court of the Southern District of California, as Authority hereof may deem appropriate, or, if required, the Municipal Court of the State of California for the County of Los Angeles, in connection with any legal action or proceeding arising out of or relating to this Note. Developer also waives any objection regarding personal or in rem jurisdiction or venue.

**DEVELOPER:**

**INSITE DEVELOPMENT, LLC,**  
a California Limited Liability Company

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

By: \_\_\_\_\_  
Steve Eglash

**ATTACHMENT NO. 3**

RECORDING REQUESTED BY )  
AND WHEN RECORDED RETURN TO: )  
 )  
Lancaster Housing Authority )  
44933 N. Fern Avenue )  
Lancaster, California 93534 )  
Attention: Elizabeth Brubaker )

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This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

**AUTHORITY LOAN DEED OF TRUST  
With Assignment of Leases and Rents, Security Agreement,  
Financing Statement, and Fixture Filing**

**THIS AUTHORITY LOAN DEED OF TRUST WITH ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT, AND FIXTURE FILING** (“Authority Loan Deed of Trust”), made as of \_\_\_\_\_, \_\_, 2018, is made by and among **INSITE DEVELOPMENT, LLC.**, a California limited liability company (“Trustor”), Lancaster Housing Authority (“Trustee”), and the **LANCASTER HOUSING AUTHORITY**, a public body, corporate and existing under laws of the State of California (“Beneficiary”). The addresses of the parties are set forth in Section 7.11 of this Authority Loan Deed of Trust.

**ARTICLE I. GRANT IN TRUST**

**1.1 Grant.** For the purposes of and upon the terms and conditions in this Authority Loan Deed of Trust, Trustor irrevocably grants, conveys and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all that real property located in the City of Lancaster, County of Los Angeles, State of California, described on Exhibit A attached hereto, together with all development rights or credits, air rights, water, water rights and water stock related to the real property, and all minerals, oil and gas, and other hydrocarbon substances in, on or under the real property, and tax reimbursements, appurtenances, easements, rights and rights of way appurtenant or related thereto, all buildings, other improvements and fixtures now or hereafter located on the real property now held or owned by Trustor, including, but not limited to, Trustor's interest in all apparatus, equipment, and appliances used in the operation or occupancy of the real property, it being intended by the parties that all such items shall be conclusively considered to be a part of the real property, whether or not attached or

affixed to the real property (the “Improvements”); and all interest or estate which Trustor may hereafter acquire in the property described above, and all additions and accretions thereto, and the proceeds of any of the foregoing; (all of the foregoing being collectively referred to as the “Subject Property”). The listing of specific rights or property shall not be interpreted as a limit of general terms

**1.2 Address.** The address of the Subject Property is 509, 523 and 531 Jackman Street and 508 and 524 Ivesbrook Street, Lancaster, California. However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Authority Loan Deed of Trust on the Subject Property as described on Exhibit A.

## **ARTICLE II. OBLIGATIONS SECURED**

**2.1 Obligations Secured.** Trustor makes this grant and assignment pursuant to a Loan Agreement between Trustor and Beneficiary dated August, (the “Agreement”), for the purpose of securing the following obligations (“Secured Obligations”):

(a) Payment to Beneficiary of all sums at any time owing under that certain Authority Loan Promissory Note (“Note”) in the amount of Seven Hundred Thousand Dollars (\$700,000) of even date herewith, executed by Trustor, as maker, and payable to the order of Beneficiary, as holder; and

(b) Payment and performance of all covenants and obligations of Trustor under this Authority Loan Deed of Trust; and

(c) Payment and performance of all future advances and other obligations under the Note secured hereby that the then record Developer of all or part of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by this Authority Loan Deed of Trust; and

(d) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; and (ii) modifications, extensions or renewals at a different rate of interest whether or not, in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

**2.2 Obligations.** The term “obligations” is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, if any, late charges and loan fees at any time accruing or assessed on any of the Secured Obligations.

**2.3 Incorporation.** All terms of the Secured Obligations and the document evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the

Secured Obligations and to have notice, if applicable and provided therein, that: (a) the Note may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.

### **ARTICLE III. ASSIGNMENT OF LEASES AND RENTS**

**3.1 Assignment.** Subject to the rights of senior lenders Trustor hereby irrevocably, absolutely, unconditionally, and presently assigns, transfers, conveys, sets over, and delivers to Beneficiary all of Trustor's right, title and interest in, to and under: (a) all leases of the Subject Property or any portion thereof, all licenses and agreements relating to the management, leasing or operation of the Subject Property or any portion thereof, and all other agreements of any kind relating to the use, enjoyment or occupancy of the Subject Property or any portion thereof, whether now existing or entered into after the date hereof ("Leases"); and (b) the rents, issues, deposits, income, revenues, royalties, earnings and profits of the Subject Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases, all oil, gas and other mineral royalties, and all rents, issues, deposits, income, revenues, royalties, earnings and profits arising from the use or operation of coin operated laundry machines, vending machines, and all other coin operated machines ("Payments"). The term "Leases" shall also include all guarantees of and security for the lessees' performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This is a present, absolute, perfected, choate and unconditional assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Subject Property.

**3.2 Grant of License.** Beneficiary confers upon Trustor a license ("License") to collect and retain the Payments, as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon the occurrence and during the continuation of a Default, the License shall be automatically revoked and subject to the rights of senior lenders Beneficiary may collect and apply the Payments pursuant to Section 6.4 without further notice other than as required in Article VI hereof, without taking possession of the Subject Property, without having a receiver appointed, and without taking any other action. Trustor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment by such lessees directly to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Trustor hereby relieves the lessees from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Beneficiary.

**3.3 Effect of Assignment.** The foregoing irrevocable Assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Subject Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Subject Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Subject



Property; or for any negligence in the management, upkeep, repair or control of the Subject Property resulting in loss or injury or death to any lessee, licensee, employee, invitee or other person. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (i) the exercise or failure to exercise any of the rights, remedies or powers granted to Beneficiary hereunder or; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation, duty or liability of Trustor arising under the Leases.

**3.4 Covenants.** Trustor covenants and agrees, at Trustor's sole cost and expense, to: (a) perform the obligations of lessor contained in the Leases and enforce by all available remedies performance by the lessees of the obligations of the lessees contained in the Leases; (b) upon Beneficiary's written request give Beneficiary prompt written notice of any default which occurs with respect to any of the Leases, whether the default be that of the lessee or of the lessor; (c) deliver to Beneficiary fully executed, counterpart original(s) of each and every Lease, if requested to do so; and (d) execute and record such additional assignments of any Lease or specific subordination of any Lease to this Authority Loan Deed of Trust, in form and substance acceptable to Beneficiary, as Beneficiary may request. Trustor shall not, without Beneficiary's prior written consent: (i) enter into any Leases after the date of this Assignment other than for occupancy of portions of the Subject Property; (ii) execute any other assignment relating to any of the Leases except to construction loans and permanent loans and refinancing of those loans which have been approved by Beneficiary or are permitted pursuant to the Agreement; (iii) discount any rent or other sums due under the Leases or collect the same in advance, other than to collect rent one (1) month in advance of the time when it becomes due; (iv) terminate, modify or amend any of the terms of the Leases or in any manner release or discharge the lessees from any obligations thereunder, except in the ordinary course of business; or (v) subordinate or agree to subordinate any of the Leases to any other deed of trust or encumbrance except to construction loans and permanent loans which have been approved by Beneficiary or are permitted pursuant to the Agreement. Any such attempted action in violation of the provisions of this Section 3.4 shall be null and void.

#### **ARTICLE IV. SECURITY AGREEMENT, FINANCING STATEMENT, AND FIXTURE FILING**

**4.1 Security Interest.** Trustor hereby grants and assigns to Beneficiary as of the recording date of this Deed of Trust a security interest, to secure payment and performance of all of the Secured Obligations, in all of Trustor's interest in the following described personal property in which Trustor now or at any time hereafter has any interest ("Collateral"):

All goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on all or any part of the Subject Property (to the extent the same are not effectively made a part of the Subject Property pursuant to Section 1.1 above); together with all rents, issues, deposits and profits of the Subject Property (to the extent, if any, they are not subject to Article II); all inventory, accounts, cash receipts, deposit accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes, drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, any other rights to the payment of money, trade names, trademarks and service

marks arising from or related to the Subject Property or any business now or hereafter conducted thereon by Trustor; all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Subject Property; all deposits or other security now or hereafter made with or given to utility companies by Trustor with respect to the Subject Property; all advance payments of insurance premiums made by Trustor with respect to the Subject Property; all plans, drawings and specifications relating to the Subject Property; all loan funds held by Beneficiary, whether or not disbursed; all funds deposited with Beneficiary pursuant to any loan agreement; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Subject Property or any portion thereof; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing together with all books, records and files relating to any of the foregoing.

As to all of the above described personal property which is or which hereafter becomes a “fixture” under applicable law, this Authority Loan Deed of Trust constitutes a fixture filing under Section 9313, Section 9402(6), and all other applicable sections of the California Uniform Commercial Code, as amended or recodified from time to time, and is acknowledged and agreed to be a “construction mortgage” under such Sections.

**4.2 Representations and Warranties.** Trustor represents and warrants that: (a) Trustor has, or will have, good title to the Collateral; (b) except with respect to the security interest of the seller, the construction lender, and any permanent lender, Trustor has not previously assigned or encumbered the Collateral, and no financing statement covering any of the Collateral has been delivered to any other person or entity except the Authority; and (c) Trustor's principal place of business is located at the address shown in Section 7.11.

**4.3 Rights of Beneficiary.** In addition to Beneficiary's rights as a “Secured Party” under the California Uniform Commercial Code, as amended or recodified from time to time (“UCC”), Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Trustor: (a) give notice to any person of Beneficiary's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Beneficiary therein; (c) inspect the Collateral; and (d) endorse, collect and receive any right to payment of money owing to Trustor under or from the Collateral. Notwithstanding the above, in no event shall Beneficiary be deemed to have accepted any property other than cash in satisfaction of any obligation of Trustor to Beneficiary unless Beneficiary shall make an express written election of said remedy under UCC §9505, or other applicable law.

**4.4 Rights of Beneficiary on Default.** Upon the occurrence of a Default under this Authority Loan Deed of Trust, then; in addition to all of Beneficiary's rights as a “Secured Party” under the UCC or otherwise at law:

(a) Beneficiary may (i) upon written notice, require Trustor to assemble any or all of the Collateral and make it available to Beneficiary at a place designated by Beneficiary; (ii) without prior notice, enter upon the Subject Property or other place where any of the Collateral may be located and take possession of, collect, sell, and dispose of any or all of the Collateral, and store the same at locations acceptable to Beneficiary at Trustor's expense; (iii) sell, assign and deliver at any place or in any lawful manner all or any part of the Collateral and

bid and become purchaser at any such sales; and

(b) Beneficiary may, for the account of Trustor and at Trustor's expense: (i) operate, use, consume, sell or dispose of the Collateral as Beneficiary deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise, or settlement, including insurance claims, which Beneficiary may deem desirable or proper with respect to any of the Collateral; and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Trustor in connection with or on account of any or all of the Collateral.

Notwithstanding any other provision hereof, Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any obligation of Trustor to Beneficiary unless Trustor shall make an express written election of said remedy under UCC §9505, or other applicable law.

**4.5 Possession and Use of Collateral.** Except as otherwise provided in this Section or the other Loan Documents (as defined in Section 6.2(h), below), so long as no Default exists under this Authority Loan Deed of Trust or any of the Loan Documents, Trustor may possess, use, move, transfer or dispose of any of the Collateral in the ordinary course of Trustor's business and in accordance with the Loan Documents.

## ARTICLE V. RIGHTS AND DUTIES OF THE PARTIES

**5.1 Title.** Trustor represents and warrants that, except as disclosed to Beneficiary in writing, Trustor lawfully holds and possesses fee simple title to the Subject Property without limitation on the right to encumber, and that, upon funding of the permanent loan, this Authority Loan Deed of Trust will be a third lien on the Subject Property and on the Collateral.

**5.2 Taxes and Assessments.** Subject to Trustor's rights to contest payment of taxes, Trustor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Subject Property or any interest therein. Trustor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in any Secured Obligation or in the Subject Property, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided however, Trustor shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income.

**5.3 Performance of Secured Obligations.** Trustor shall promptly pay and perform each Secured Obligation when due.

**5.4 Liens, Encumbrances and Charges.** Trustor shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Authority Loan Deed of Trust. Trustor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Subject Property or any interest therein, whether senior or subordinate hereto.

## **5.5 Damages, Insurance and Condemnation Proceeds.**

(a) The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Trustor to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Subject Property; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Subject Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to all or any part of the Subject Property; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law and rights of senior lenders, and without regard to any requirement contained in Section 5.6(d), Beneficiary may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in any order, and/or Beneficiary may release all or any part of the proceeds to conditions Beneficiary may impose. During the continuance of a Default Beneficiary may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary; provided, however, that if Beneficiary fails to pursue any such claim, Beneficiary shall assign or permit Trustor to pursue such claim upon Trustor's request, and in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure.

(b) Beneficiary shall permit insurance or condemnation proceeds held by Beneficiary to be used for repair or restoration but may condition such application upon reasonable conditions, including, without limitation: (i) the deposit with Beneficiary (or a senior lender) of such additional funds which Beneficiary determines, based upon qualified third-party estimates, are needed to pay all cost of the repair or restoration, (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (ii) the establishment of an arrangement for lien releases and disbursement of funds acceptable to Beneficiary; (iii) the delivery to Beneficiary of plans and specifications for the work, a contract for the work signed by a contractor acceptable to Beneficiary and a cost breakdown for the work, all of which shall be acceptable to Beneficiary; and (iv) the delivery to Beneficiary of evidence acceptable to Beneficiary (aa) that after completion of the work the income from the Subject Property will be sufficient to pay all expenses and debt service for the Subject Property; (bb) that upon completion of the work, the size, capacity and total value of the Subject Property will be at least as great as it was before the damage or condemnation occurred, subject to City laws, ordinances, regulations and standards then in effect; (cc) that there has been no material adverse change in the financial condition or credit of Trustor since the date of this Authority Loan Deed of Trust; Trustor hereby acknowledges that the conditions described above are reasonable.

**5.6 Maintenance and Preservation of the Subject Property.** Trustor covenants: (a) to insure the Subject Property against such risks as Beneficiary may reasonably require and, at Beneficiary's reasonable request, to provide evidence of such insurance to Beneficiary's, and to comply with the requirements of any insurance companies insuring the Subject Property; (b) to keep the Subject Property in good condition and repair; (c) except with Beneficiary's prior written consent, not to remove or demolish the Subject Property or any part thereof, (d) to complete or restore promptly and in good and workmanlike manner the Subject Property, or any

part thereof which may be damaged or destroyed, except to the extent that the damage or destruction is due to a casualty which Trustor is not required to insure against and in fact does not insure against, or to the extent that insurance proceeds are not made available to Trustor; (e) to comply with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitude's, whether public or private, of every kind and character which affect the Subject Property and pertain to acts committed or conditions existing thereon, including, without limitation, any work, alteration, improvement or demolition mandated by such laws, covenants or requirements; (f) not to commit or permit waste of the Subject Property; and (g) to do all other acts which from the character or use of the Subject Property may be reasonably necessary to maintain and preserve its value.

**5.7 Defense and Notice of Losses, Claims, and Actions.** At Trustor's sole expense, Trustor shall protect, preserve and defend the Subject Property and title to and right of possession of the Subject Property, the security hereof and the rights and powers of Beneficiary and Trustee hereunder against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Subject Property and of any condemnation offer or action.

**5.8 Acceptance of Trust, Powers and Duties of Trustee.** Trustee accepts this trust when this Authority Loan Deed of Trust is recorded. From time to time upon written request of Beneficiary and presentation of this Authority Loan Deed of Trust or a certified copy thereof for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of any obligations secured hereby, Trustee may, without liability therefor and without notice, reconvey all or any part of the Subject Property. Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing or confirming or approving acts in the execution of said trust and the enforcement of said remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding, including, without limitation, actions in which Trustor, Beneficiary or Trustee shall be a party unless held or commenced and maintained by Trustee under this Authority Loan Deed of Trust. Trustee shall not be obligated to perform any act required of it hereunder unless the performance of the act is requested in writing and Trustee is reasonably indemnified and held harmless against loss, cost, liability or expense.

**5.9 Compensation: Exculpation; Indemnification.**

(a) Trustor shall pay Trustee's reasonable fees and reimburse Trustee for reasonable expenses in the administration of this trust, including reasonable attorneys' fees. Trustor shall pay to Beneficiary reasonable compensation for services rendered concerning this Authority Loan Deed of Trust, including without limit any statement of amounts owing under any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Authority Loan Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under to the Subject Property or under this Authority Loan Deed of Trust; or (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Subject Property after a Default or from any other

act or omission of Beneficiary in managing the Subject Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Trustor.

(b) Trustor indemnifies Trustee and Beneficiary against, and holds Trustee and Beneficiary harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which either may suffer or incur: (i) by reason of this Authority Loan Deed of Trust; (ii) by reason of the execution of this trust or in performance of any act required or permitted hereunder or by law; or (iii) as a result of any failure of Trustor to perform Trustor's obligations, except to the extent such matters which are caused as a result of the gross negligence or willful misconduct of Beneficiary or Trustee. The above obligation of Trustor to indemnify and hold harmless Trustee and Beneficiary shall survive the release and cancellation of the Secured Obligations and the release and reconveyance or partial release and reconveyance of this Authority Loan Deed of Trust.

(c) Trustor shall pay all amounts and indebtedness arising under this Section 5.9 immediately upon demand by Trustee or Beneficiary, together with interest thereon from the date the indebtedness arises at the rate of interest applicable to the principal balance of the Note as specified therein.

**5.10 Substitution of Trustees.** From time to time, by writing, signed and acknowledge by Beneficiary and recorded in the Office of the Recorder of the County in which the Subject Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this Section 5.10 shall be conclusive proof of the proper substitution of such new Trustee.

**5.11 Due on Sale or Encumbrance.** Absent consent required pursuant to the terms of the Loan Documents, if the Subject Property or any interest therein shall be sold, transferred, mortgaged, assigned, further encumbered or leased, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary, or as otherwise permitted pursuant to the Agreement, then Beneficiary, in its sole discretion, may declare all Secured Obligations immediately due and payable. Nothing herein shall prohibit the sale of partnership interests in Trustor or the admission of additional partners or members in Trustor.

**5.12 Releases, Extensions, Modifications and Additional Security.** Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Subject Property and

other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of this Authority Loan Deed of Trust upon the Subject Property.

**5.13 Reconveyance.** Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Authority Loan Deed of Trust or a certified copy thereof and any note, instrument, or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Subject Property or that portion thereof then held hereunder. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto" and the recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Subject Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Subject Property to the person or persons legally entitled thereto.

**5.14 Subrogation.** Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to this Authority Loan Deed of Trust or by the proceeds of any loan secured by this Authority Loan Deed of Trust.

**5.15 Right of Inspection.** Beneficiary, its agents and employees, may enter the Subject Property at any reasonable time, upon reasonable advance notice, except in cases of emergency, for the purpose of inspecting the Subject Property and ascertaining Trustor's compliance with the terms hereof.

## **ARTICLE VI. DEFAULT PROVISIONS**

**6.1 Default.** For all purposes hereof, the term "Default" shall mean (a) at Beneficiary's option, the failure of Trustor to make any payment of principal or interest on the Note or to pay any other amount due hereunder or under the Note within ten (10) days of receiving written notice from Beneficiary, whether at maturity, by acceleration or otherwise; (b) the failure of Trustor to perform any non-monetary obligation hereunder, or the failure to be true of any representation or warranty of Trustor contained herein and the continuance of such failure for thirty (30) days after written notice from Beneficiary, or within any longer grace period as is reasonably necessary to cure the Default, if any, allowed in the Agreement for such failure, or (c) the existence of any Default or Event of Default as defined in the Agreement.

**6.2 Rights and Remedies.** At any time after Default, Beneficiary and Trustee shall each have all the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable;

(b) With or without notice, and without releasing Trustor from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Default of Trustor and, in connection therewith, to enter upon the Subject Property and do such acts and

things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Authority Loan Deed of Trust or the rights or powers of Beneficiary or Trustee under this Authority Loan Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority to this Authority Loan Deed of Trust, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under this Authority Loan Deed of Trust; or (v) to employ counsel, accountants, contractors, and other appropriate persons.

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

(d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Subject Property as a matter of strict right and without regard to the adequacy of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default, and Trustor hereby consents to such appointment;

(e) To enter upon, possess, manage and operate the Subject Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then Developer of the Subject Property, to make, terminate, enforce or modify the Leases of the Subject Property upon such terms and conditions as Beneficiary deems proper, to make repairs, alterations and improvements to the Subject Property as necessary, in Trustee's or Beneficiary's sole judgment, to protect or enhance the security hereof;

(f) To execute a written notice of such Default and of its election to cause the Subject Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Subject Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Subject Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Subject Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Subject Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale;



(g) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Trustee and Beneficiary, or either of them, determine in their sole discretion.

(h) To pursue any other rights and remedies available to Beneficiary or Trustee at law, in equity, or under this Authority Loan Deed of Trust, the Note, or any other agreement, document, or instrument executed in connection therewith (collectively, the "Loan Documents").

(i) Upon sale of the Subject Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Subject Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Subject Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Subject Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Subject Property prior to resale, costs of resale (e.g. Authority's, attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Subject Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Beneficiary; (iv) declining trends in real property values generally and with respect to properties similar to the Subject Property; (v) anticipated discounts upon resale of the Subject Property as a distressed or foreclosed property; (vi) the fact of additional collateral if any, for the Secured Obligations; and (vii) such other factors or matters that Beneficiary, in its sole and absolute discretion, deems appropriate. In regard to the above, Trustor acknowledges and agrees that: (w) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; (y) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between Trustor and Beneficiary; and (z) Beneficiary's credit bid may be (at Beneficiary's sole and absolute discretion) higher or lower than any appraised value of the Subject Property. Nothing herein shall diminish or affect Trustor's right to a fair value determination in accordance with the provisions of Code of Civil Procedure Section 580(b).

**6.3 Application of Foreclosure Sale Proceeds.** After deducting all costs, fees and expenses of Trustee, and of this trust, including, without limitation, cost of evidence of title and attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, Trustee shall apply all proceeds of any foreclosure sale: (i) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (ii) to payment of all other Secured Obligations; and

(iii) the remainder, if any, to the person or persons legally entitled thereto.

**6.4 Application of Other Sums.** All sums received by Beneficiary under Section 6.2 or Section 3.2, less all costs and expenses incurred by Beneficiary or any receiver under Section 6.2 or Section 3.2, including, without limitation, attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Beneficiary shall determine in its sole discretion; provided, however, Beneficiary shall have no liability for funds not actually received by Beneficiary.

**6.5 No Cure or Waiver.** Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Subject Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Authority Loan Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of this Authority Loan Deed of Trust.

**6.6 Payment of Costs, Expenses and Attorney's Fees.** Trustor agrees to pay to Beneficiary immediately upon demand all costs and expenses incurred by Trustee and Beneficiary pursuant to subparagraphs (a) through (i) inclusive of Section 6.2 (including, without limitation, court costs and attorneys' fees, whether incurred in litigation or not) with interest from the date of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the Note as specified therein. In addition, Trustor shall pay to Trustee all Trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the administration of this trust, including, without limitation, any reasonable attorneys' fees.

**6.7 Non-Recourse Obligation.** In the event of any default under the terms of the Note or this Authority Loan Deed of Trust, the sole recourse of Beneficiary for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee's power of sale, and Trustor shall not be personally liable for the payment of the Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights Beneficiary may have (as a secured party or otherwise) hereunder or under the Note to recover directly from Trustor any amounts secured by this Authority Loan Deed of Trust.

## **ARTICLE VII. MISCELLANEOUS PROVISIONS**

**7.1 Additional Provisions.** The Loan Documents contain or incorporate by reference the entire agreement of the parties with respect to matters contemplated herein and supersede all prior negotiations. The Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Authority Loan Deed of Trust and to the Subject Property, and such further rights and agreements are

incorporated herein by this reference.

**7.2 Merger.** No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Subject Property unless Beneficiary consents to a merger in writing.

**7.3 Obligations of Trustor, Joint and Several.** If more than one person has executed this Authority Loan Deed of Trust as "Trustor," the obligations of all such persons hereunder shall be joint and several.

**7.4 Recourse to Separate Property.** Any married person who executes this Authority Loan Deed of Trust as a Trustor, in his or her individual and personal capacity, agrees that any money judgment which Beneficiary or Trustee obtains pursuant to the terms of this Authority Loan Deed of Trust or any other obligation of that married person secured by this Authority Loan Deed of Trust may be collected by execution upon that person's separate property, and any community property of which that person is a manager.

**7.5 Waiver of Marshaling Rights.** Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Subject Property, hereby waives all rights to have the Subject Property and/or any other property, including, without limitation, the Collateral, which is now or later may be security for any Secured Obligation ("Other Property") marshaled upon any foreclosure of this Authority Loan Deed of Trust or on a foreclosure of any other security for any of the Secured Obligations. Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of the Subject Property and any or all of the Collateral or Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

**7.6 Rules of Construction.** When the identity of the parties or other circumstances make it appropriate, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Subject Property" means all and any part of the Subject Property and any interest in the Subject Property.

**7.7 Successors in Interest.** The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this Section does not waive or modify the provisions of Section 5.12.

**7.8 Execution In Counterparts.** This Authority Loan Deed of Trust may be executed in any number of counterparts, each of which, when executed and delivered to Beneficiary, will be deemed to be an original and all of which, taken together, will be deemed to be one and the same instrument.

**7.9 California Law.** This Authority Loan Deed of Trust shall be construed in accordance with the laws of the State of California, except to the extent that Federal laws preempt the laws of the State of California.

**7.10 Incorporation.** Exhibit A is incorporated into this Authority Loan Deed of Trust

by this reference.

**7.11 Notices, Demands and Communications Between the Parties.** Any approval, disapproval, demand, document or other notice (“Notice”) required or permitted under this Authority Loan Deed of Trust must be in writing and shall be sufficiently given if delivered by hand (and a receipt therefore 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, California 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 7.11.

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 Mental Health Association of the Greater Los Angeles 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 7.11, 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

For purposes of notice hereunder to any other location within the continental United States by the giving of thirty (30) days notice to the other party in the manner set forth hereinabove. Trustor shall forward to Beneficiary, without delay, any notices, letters or other communications delivered to the Subject Property or to Trustor naming Beneficiary, "Lender" or any similar designation as addressee, or which could reasonably be deemed to affect the ability of Trustor to perform its obligations to Beneficiary under the Note.

**7.12 Waiver of Set Off Rights.** Trustor hereby waives all rights to set off against any amount owed by Trustor under the Loan Documents, any claims Trustor may have against Beneficiary, including, without limitation, the rights afforded by California Code of Civil Procedure Section 431.70

**7.13 Trustor's Request for Notice of Default and Notice of Sale.** Trustor hereby requests that a copy of any notice of default or notice of sale under this deed of trust be mailed to Trustor at the address set forth in section 7.11 of this deed of trust.

IN WITNESS WHEREOF, Trustor has executed this Authority Loan Deed of Trust as of the day and year set forth above.

**DEVELOPER:**

**INSITE DEVELOPMENT, LLC,**  
a California Limited Liability Company

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

By: \_\_\_\_\_  
Steve Eglash

## CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing to the Lancaster Housing Authority, a public body, corporate and politic, is hereby accepted by the undersigned officer or agent on behalf of the Lancaster Housing Authority Board, pursuant to authority conferred by an adopted resolution of said Board and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_

Lancaster Housing Authority, a  
Public Body, Corporate and Politic

By: \_\_\_\_\_  
Executive Director  
Mark V. Bozigian

## 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 30<sup>TH</sup> STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF-WAY LINE OF 30<sup>TH</sup> 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 30<sup>TH</sup> STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30<sup>TH</sup> 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. 4**

RECORDING REQUESTED BY )  
AND WHEN RECORDED RETURN TO: )  
 )  
Lancaster Housing Authority )  
44933 N. Fern Avenue )  
Lancaster, California 93534 )  
Attention: Elizabeth Brubaker )

---

This document is exempt from the payment of a recording fee pursuant to  
Government Code Section 27383.

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

**THIS DECLARATION OF CONDITIONS, COVENANTS, AND RESTRICTIONS**  
(the “Declaration”) is made by **INSITE DEVELOPMENT LLC.**, a California limited liability  
corporation (the “Covenantor”), as of the \_\_\_day of \_\_\_\_\_ 2018.

*RECITALS*

A. The Covenantor is the fee owner of record of that certain real property (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 Loan Agreement (the  
“Agreement”) entered into by and between the Lancaster Housing Authority (the “Covenantee”)  
and Covenantor, dated as of \_\_\_\_\_, 2018 a copy of which is on file with the Covenantee as a  
public record. Pursuant to the Agreement, the Covenantor 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.  
Except as otherwise expressly provided in this Declaration, all terms shall have the same  
meanings as set forth in the Agreement. References to “Exhibits” shall refer to exhibits to the  
Agreement.

C. The Community Redevelopment Law (California Health and Safety Code 33000,  
et seq.) provides that the authority shall establish covenants running with the land in furtherance  
of redevelopment plans.

**NOW, THEREFORE**, the Covenantor and Covnenantee mutually agree as follows:

## DEFINITIONS

Capitalized terms used herein, including the Recitals, shall have the meaning ascribed to them in this Section 100, unless the content indicates otherwise.

**“Affordability Period”** shall mean the period beginning upon the first day of the first full month following the date on which this Declaration is executed by the parties thereto and recorded in the office of the Los Angeles County Recorder, and ending on the last day of the 660th month thereafter, unless this Declaration is sooner terminated or released by the Authority or by operation of the provisions of any documents evidencing or securing the interest of any holder of a first lien deed of trust.

**“Affordable Units”** shall mean each of the fifty (50) HOME units at the Kensington Campus, which shall be designated as HOME Affordable Units and continuously occupied by or made available for occupancy by Qualified Residents for the duration of the Affordability Period.

**“Affordable Rents”** shall mean (i) lower income households whose gross incomes exceed the maximum income for lower income households, the product of 30 percent times 65 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 65 percent of the area median income adjusted for family size, affordable rent may be established at a level not to exceed 30 percent of gross income of the household. Affordable rents shall be determined in the same manner as pursuant to HOME requirements.

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

**“Authority Loan”** means the Authority's loan in the principal amount of Seven Hundred Thousand Dollars (\$700,000) to the Developer, as provided in Section 201 herein.

**“Authority Loan Deed of Trust”** means the Deed of Trust With Assignment of Rents, Security Agreement, Financing Statement and Fixture Filing to be recorded against the Property as security for the payment of sums owing pursuant to the Authority Loan Promissory Note, in the form attached hereto as Attachment No. 3, which is incorporated herein.

**“Authority Loan Promissory Note”** means the promissory note to be executed by the Developer in favor of the Authority, as set forth in Section 201 hereof, in the form of the Promissory Note which is attached hereto as Attachment No. 2 and incorporated herein by reference.

**“Agreement”** means the Loan Agreement between Authority and the Developer.

**“City”** means the City of Lancaster, California, a California municipal corporation. The City is not a party to this Agreement and shall have no obligations hereunder.

**“Code”** means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

**“Conditions Precedent”** means the conditions precedent to the disbursement of the Authority Loan as set forth in Section 202 hereof.

**“Date of Disbursement”** shall mean the date upon which the total proceeds of the Authority Loan have been disbursed to or on behalf of the Developer.

**“Default”** means the failure of a party to the Agreement to perform any action or covenant required by the Agreement within the time periods provided herein, following notice and opportunity to cure, as set forth in Section 502 hereof.

**“Developer”** means Leaps and Bounds, L.P., a California limited partnership.

**“Direct Services Impact Fees”** shall mean and refer only to the following fees imposed by the Public Works Department of the City, Drainage Annexation Fee, Traffic Impact Fee, Traffic Signal Fee and Street Improvement Fee.

**“Effective Date of Agreement”** is that date set forth in the first paragraph of the Agreement.

**“HCD”** shall mean the State of California Department of Housing and Community Development.

**“Improvements”** means the 100 (or such other number as may be permitted by applicable laws or regulations and as may be commercially feasible at the time) multifamily residential units, along with all appurtenant on-site and off-site improvements and all fixtures and equipment to be constructed or installed on or about the Property.

**“Lower Income Resident”** shall mean individuals or families whose adjusted income does not exceed eighty percent (80%) of the area median gross income, adjusted for family size.

**“Notice”** shall mean a notice in the form prescribed by Section 601 hereof.

**“Project”** means 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.

**“Property”** means and refers to the Authority Parcel.

**“Property Legal Description”** means the description of the Property, which is attached hereto as Attachment No. 1 and incorporated herein by reference.

**“Qualified Residents”** means residents of the Project who are either Lower Income Residents or Very Low Income Residents.

**“Qualified Tenant”** shall mean persons or families who are either a Very Low Income Resident or a Lower Income Resident.

**“Rent”** means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. Affordable rents shall be determined in the manner as pursuant to HOME requirements.

**NOW, THEREFORE, THE COVENANTOR HEREBY DECLARES AS FOLLOWS:**

**1. AFFORDABLE HOUSING**

a. **Affordable Units.** During the entire term of the Affordability Period, Covenantor agrees to make available, restrict occupancy to, and rent at affordable rents fifty (50) of the units in the Kensington Campus multifamily housing project to Qualified Residents (the “HOME Affordable Units”). In addition to any requirements of the Code, Covenantor agrees to comply with the provisions of Health and Safety Code Section 33413 through Section 33418 to the extent necessary to enable the Covenantor to count the units for purposes of meeting the requirements of Section 33413 of the Health and Safety Code.

b. **Income Level of Tenants.** During the Affordability Period, Covenantor agrees to make available, restrict occupancy to, and rent each of the HOME Affordable Units and Program Affordable Units to Qualified Tenants. Covenantor agrees to comply with the applicable provisions of Health and Safety Code Section 33413 through Section 33418 to the extent necessary to enable the Covenantor to count the units for purposes of meeting the requirements of Section 33413 of the Health and Safety Code.

c. **Income Verification**

(i) In the event a recertification of a resident’s income in accordance with subsection (d) below demonstrates that such resident no longer qualifies as a Qualified Resident of the Affordable Unit occupied by such resident, but such resident qualifies as an otherwise eligible household, the rents appropriate for that income level shall be charged. If the income of a Qualified Resident of the Affordable Unit occupied by such resident upon recertification no longer qualifies as a Qualified Resident, and there are no other requirements statutorily imposed by another Federal or State funding source or tax credit program, that tenant shall not have its lease terminated as a result thereof, but must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household’s adjusted monthly income; except that, Assisted Units subject to low-income tax credit rules under section 42 of the Internal Revenue Code shall be governed by such rules.

(ii) Immediately prior to a Qualified Resident's occupancy of an Affordable Unit, the Covenantor will obtain and maintain on file a certified statement of income on a form to be approved by the Covenantee from each Qualified Resident occupying said Affordable Unit, dated immediately prior to the initial occupancy by each Qualified Resident. In addition, the Covenantor will provide to the Covenantee such further information as may be reasonably required in the future by the State of California and/or the HOME Program, as the same may be amended from time to time as reasonably requested by the Authority's HOME Program Administrator.

**d. Annual Reports.** During the Affordability Period, Covenantor, 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 calendar year.

**3. Nondiscrimination.** The Covenantor 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, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Covenantor 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 vendors of the Property. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Covenantee, its successors and assigns, the City and any successor in interest to the Property, or any part thereof. The foregoing covenants shall run with the land for the term of the Affordability Period.

**4. Effect of Violation of the Terms and Provisions of the Agreement After Completion of Construction.** The Covenantee is deemed the beneficiary of the terms and provisions of the Agreement 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 the Agreement and the covenants running with the land have been provided. The Agreement and the covenants shall run in favor of the Covenantee, without regard to whether the Covenantee has been, remains or is an owner of any land or interest therein in the Property or in the Project Area. The Covenantee shall have the right, if the Agreement or Covenantor's covenants contained herein 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 Agreement and covenants may be entitled. The foregoing covenants shall run with the land for the term of the Affordability Period.

**5. Maintenance of the Property.** The Covenantor 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 this Declaration. 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 Covenantor 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 Covenantor fails to maintain the Property in accordance with the Agreement or this Declaration and such condition is not corrected 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 (or such longer period of time as is reasonably necessary to correct the condition) 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 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 Covenantee and/or costs of such cure, including a five percent (5%) administrative charge, which amount shall be promptly paid by Covenantor to the Covenantee upon demand. The foregoing covenants shall run with the land for the term of the Affordability Period.

**a. Physical Needs Assessment.** The Covenantor shall ensure that: 1) a third-party physical needs assessment of the replacement needs of the development shall be conducted every 5 years commencing from the date of this agreement; and 2) annual deposits to the replacement reserve shall be adjusted based on the results of the physical needs assessment.

**6. 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 Covenantor 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 the Agreement and this Declaration. If the Covenantee reasonably determines that the performance of the Property Manager is deficient based upon the standards and requirements set forth in the Agreement and this Declaration, the Covenantee shall provide notice to the Covenantor of such deficiencies and the Covenantor shall use its best efforts to correct or cause to be corrected such deficiencies. Upon Default of the terms of the Agreement or this Declaration by the Property Manager, the Covenantee shall have the right to require the Covenantor to immediately remove and replace the Property Manager with another property manager or property management company reasonably acceptable to the Covenantee. Such Property Manager shall be experienced in managing multifamily residential developments similar to the Project and shall not be related to or affiliated with the Covenantor. The foregoing covenants shall run with the land for the term of the Affordability Period .

**7. 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.

**8. 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 Lower Income Residents as set forth in the Agreement. 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.

**9. 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 which such covenants shall be in force and effect. 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 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.

**10. Notices, Demands and Communications.** Written notices, demands and communications between the Covenantor 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:

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

Covenantee: InSite Development, LLC  
6265 Variel Avenue  
Encino, California 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 10.

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 Mental Health Association of the Greater Los Angeles 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 10, 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

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.

**11. 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.

**12. Covenantee Remedies.** The occurrence of any Event of 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 set forth in the Agreement, 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 Covenantor to perform its obligations and covenants under this Agreement 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 Covenantor under a loan or grant other than the Authority Loan; provided, however, that if the Covenantor is in good faith contesting a claim of default under a loan and the Covenantee's interest under this Agreement is not imminently threatened by such default, the Covenantee shall not have the right to cure such default. The Covenantor agrees to reimburse the Covenantee for any funds advanced by the Covenantee to cure a monetary default by Covenantor 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 Covenantor have caused this instrument to be executed on its behalf by its officers hereunto duly authorized as of the date set forth above.

**DEVELOPER:**

**INSITE DEVELOPMENT, LLC,**  
a California Limited Liability Company

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

By: \_\_\_\_\_  
Steve Eglash

**LANCASTER HOUSING AUTHORITY,**  
a public body, corporate and politic

By: \_\_\_\_\_  
Executive Director  
Mark V. Bozigian

## EXHIBIT "A"

### LEGAL DESCRIPTION OF PROPERTY

#### 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 30<sup>TH</sup> STREET WEST; THENCE NORTH 00° 07' 20" EAST, COINCIDENT WITH THE WESTERLY RIGHT-OF-WAY LINE OF 30<sup>TH</sup> 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 30<sup>TH</sup> STREET WEST; THENCE SOUTH 00° 07' 20" WEST, PARALLEL WITH THE CENTERLINE OF 30<sup>TH</sup> 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**  
**Lancaster Successor Agency**

SA CC 1
01/09/18
MVB

Date: January 9, 2018  
To: Chairman Parris and Agency Directors  
From: Chenin Dow, Economic Development Manager  
Subject: **Subordination Agreement with Antelope Valley Mazda**

---

**Recommendation:**

Authorize the City Manager or his designee to subordinate the Successor Agency’s existing lien with Antelope Valley Mazda, Inc. to allow for the installation of solar panels at the dealership site and authorize the City Manager or his designee to execute all related documents.

**Fiscal Impact:**

None.

**Background:**

On average, the dealerships of the Lancaster Auto Mall have collectively contributed \$2.2 million annually to the City’s revenues via sales tax revenue over the past five years. Recognizing this tremendous potential for revenue generation, the Lancaster Redevelopment Agency entered into an agreement in 2008 to bring a new Mazda dealership to the Lancaster Auto Mall.

This agreement, an Acquisition of Operating Covenant and Restrictive Covenants, committed Antelope Valley Mazda to operate in the Lancaster Auto Mall for a period of 20 years. In return, the Agency provided a loan of \$1.5 million for construction of the new dealership. This loan was secured by a sales tax guarantee ensuring that the City would receive a specified amount of sales tax from the new dealership each year, yielding the full \$1.5 million plus 6% interest. The loan was also secured by a lien on the property.

Now, in keeping with the City of Lancaster’s net-zero electricity goals, AV Mazda is seeking to install solar power at its dealership. This represents a new opportunity to integrate still more renewable energy into Lancaster’s energy portfolio at no cost to the City. In order to make this possible, the Successor Agency must subordinate its lien on the property to another lender, who will provide the construction financing needed for the solar power. The form of subordination agreement will be prepared by the Successor Agency, AV Mazda or the lender as part of the new lender’s closing. The sole purpose of this agreement will be subordination.

This action will not affect the terms of the original agreement apart from subordination; Antelope Valley Mazda must continue to repay the full amount of the loan, plus interest. The dealership is current on all payments and continues to meet the other obligations outlined in the agreement. This action will merely allow for construction of solar panels to take place on the dealership site.

**STAFF REPORT**  
**Lancaster Successor Agency**

SA NB 1
01/09/18
MVB

Date: January 9, 2018

To: Chairman Parris and Agency Directors

From: Pam Statsmann, Finance Director

Subject: **Recognized Obligation Payment Schedule for the Period July 1, 2018 to June 30, 2019**

---

**Recommendation:**

Adopt **Resolution No. SA 01-18**, approving the Recognized Obligation Payment Schedule for the period July 1, 2018 to June 30, 2019 and direct staff to bring before the Lancaster Successor Agency Oversight Board for approval.

**Fiscal Impact:**

There is no fiscal impact of this specific action.

**Background:**

Health & Safety Code Section 34177(o)(1) requires the Successor Agencies of the previous redevelopment agencies to prepare Recognized Obligation Payment Schedules (ROPS) that list obligations to be paid for the coming July 1 to June 30. These schedules are used by the County Auditor-Controller in determining the amount of property tax revenues to distribute to the Successor Agency.

The ROPS for the period July 1, 2018 to June 30, 2019 is due to the California State Department of Finance by February 1, 2018 for property tax distribution on June 1, 2018 and January 2, 2019. The ROPS will be submitted to the Lancaster Successor Agency Oversight Board for approval at its January 16, 2018 meeting.

PS:jh

**Attachments:**

Resolution No. SA 01-18

Attachment A - Recognized Obligation Payment Schedule for the period July 1, 2018 to June 30, 2019

RESOLUTION NO. SA 01-18

A RESOLUTION OF THE LANCASTER SUCCESSOR  
AGENCY APPROVING THE RECOGNIZED OBLIGATION  
PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2018 TO  
JUNE 30, 2019

WHEREAS, the Lancaster Successor Agency (Agency) has met and has duly considered the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2018 through June 30, 2019; and

WHEREAS, prior to its meeting on January 09, 2018, the members of the Agency have been provided with copies of the ROPS; and

WHEREAS, the Agency has reviewed the ROPS; and

WHEREAS, the Agency desires to express and memorialize its approval of the ROPS as the Recognized Obligation Payment Schedule for the period July 1, 2018 to June 30, 2019 duly approved by the Agency;

NOW THEREFORE, BE IT RESOLVED by the Lancaster Successor Agency, as follows:

SECTION 1. The Agency finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Agency approves as the Recognized Obligation Payment Schedule for the period July 1, 2018 through June 30, 2019.

SECTION 3. The Successor Agency is authorized and directed to submit the ROPS to the California Department of Finance, State Controller's Office and the County of Los Angeles Auditor-Controller.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the ROPS as approved hereby.

PASSED, APPROVED, and ADOPTED this 9<sup>th</sup> day of January, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
BRITT AVRIT, MMC  
City Clerk  
Lancaster, CA

\_\_\_\_\_  
R. REX PARRIS  
Chairman  
Lancaster Successor Agency

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

CERTIFICATION OF RESOLUTION  
LANCASTER SUCCESSOR AGENCY

I, \_\_\_\_\_, \_\_\_\_\_ City of Lancaster, CA,  
do hereby certify that this is a true and correct copy of the original Resolution No. SA 01-18, 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)

\_\_\_\_\_

## Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

**Successor Agency:**

Lancaster

**County:**

Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 2,535,846</b>	<b>\$ 406,766</b>	<b>\$ 2,942,612</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	2,535,846	406,766	2,942,612
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 13,586,676</b>	<b>\$ 3,064,718</b>	<b>\$ 16,651,394</b>
F RPTTF	13,366,520	2,844,562	16,211,082
G Administrative RPTTF	220,156	220,156	440,312
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 16,122,522</b>	<b>\$ 3,471,484</b>	<b>\$ 19,594,006</b>

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name	Title
/s/	
Signature	Date





Lancaster Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L					Q	R					W	
											M						18-19A Total	18-19B (January - June)					
											Fund Sources							Bond Proceeds	Reserve Balance	Other Funds	RPTIF		Admin RPTIF
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Fixed Asset	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	Sold Proceeds	Reserve Balance	Other Funds	RPTIF	Admin RPTIF	Bond Proceeds	Reserve Balance	Other Funds	RPTIF	Admin RPTIF	18-19B Total		
312	PRE DISSOLUTION LOAN #9 PER RESO OB 31-13	CityCounty Loan (Prior 06/26/11) 3rd party agm- infrastructure	4/15/1995	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #9 PER RESO OB 31-13	ALL	500,394	N	\$													
313	PRE DISSOLUTION LOAN #10 PER RESO OB 33-13	CityCounty Loan (Prior 06/26/11) 3rd party agm- infrastructure	5/15/1995	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #10 PER RESO OB 32-13	ALL		N	\$													
314	PRE DISSOLUTION LOAN #11 PER RESO OB 33-13	CityCounty Loan (Prior 06/26/11) Property transaction	4/15/1995	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #11 PER RESO OB 33-13	ALL	92,450	N	\$													
315	PRE DISSOLUTION LOAN #12 PER RESO OB 34-13	CityCounty Loan (Prior 06/26/11) 3rd party agm- infrastructure	4/15/1995	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #12 PER RESO OB 34-13	ALL	36,318	N	\$													
316	PRE DISSOLUTION LOAN #13 PER RESO OB 35-13	CityCounty Loan (Prior 06/26/11) 3rd party agm- infrastructure	6/30/1995	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #13 PER RESO OB 35-13	ALL	15,037,192	N	\$													
317	PRE DISSOLUTION LOAN #14 PER RESO OB 36-13	CityCounty Loan (Prior 06/26/11) Property transaction	6/30/1997	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #14 PER RESO OB 36-13	ALL	367,820	N	\$													
318	PRE DISSOLUTION LOAN #15 PER RESO OB 37-13	CityCounty Loan (Prior 06/26/11) 3rd party agm- infrastructure	11/29/1997	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #15 PER RESO OB 37-13	ALL	1,080,680	N	\$													
319	PRE DISSOLUTION LOAN #16 PER RESO OB 38-13	CityCounty Loan (Prior 06/26/11) Other	6/30/1998	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #16 PER RESO OB 38-13	ALL	1,779,625	N	\$													
320	PRE DISSOLUTION LOAN #17 PER RESO OB 39-13	CityCounty Loan (Prior 06/26/11) Property transaction	4/16/2000	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #17 PER RESO OB 39-13	ALL	1,587,732	N	\$													
321	PRE DISSOLUTION LOAN #18 PER RESO OB 40-13	CityCounty Loan (Prior 06/26/11) Other	6/20/2004	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #18 PER RESO OB 40-13	ALL	863,448	N	\$													
322	PRE DISSOLUTION LOAN #19 PER RESO OB 41-13	CityCounty Loan (Prior 06/26/11) Property transaction	5/09/2002	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #19 PER RESO OB 41-13	ALL	1,304,063	N	\$													
323	PRE DISSOLUTION LOAN #20 PER RESO OB 42-13	CityCounty Loan (Prior 06/26/11) 3rd party agm- infrastructure	8/30/2002	1/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #20 PER RESO OB 42-13	ALL	1,154,071	N	\$													
324	PRE DISSOLUTION LOAN #21 PER RESO OB 43-13	CityCounty Loan (Prior 06/26/11) Property transaction	6/09/2002	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #21 PER RESO OB 43-13	ALL	693,796	N	\$													
325	PRE DISSOLUTION LOAN #22 PER RESO OB 44-13	CityCounty Loan (Prior 06/26/11) 3rd party agm- infrastructure	6/30/2004	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #22 PER RESO OB 44-13	ALL	820,500	N	\$													
326	PRE DISSOLUTION LOAN #23 PER RESO OB 45-13	CityCounty Loan (Prior 06/26/11) Property transaction	6/23/2004	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #23 PER RESO OB 45-13	ALL	869,375	N	\$													
327	PRE DISSOLUTION LOAN #24 PER RESO OB 46-13	CityCounty Loan (Prior 06/26/11) Other	6/30/2011	12/31/2043	CITY OF LANCASTER	PRE DISSOLUTION LOAN #24 PER RESO OB 46-13	ALL	9,464	N	\$													
328	2016 A-1 & A-2 TAX ALLOCATION REFUNDING BONDS (NON-HOUSING)	Refunding Bonds Issued After 6/27/12	3/1/2016	9/1/2038	US BANK	DEBT SERVICE-2016 A 1 & A 2 TAX ALLOCATION REFUNDING BONDS (NON-HOUSING)	COMBINED	79,292,759	N	\$	4,661,031				\$	4,661,031							
329	2016 B-1 & B-2 TAX ALLOCATION REFUNDING BONDS (SCHOOLS)	Refunding Bonds Issued After 6/27/12	3/1/2016	9/1/2037	US BANK	2016 TAX ALLOCATION REFUNDING BONDS (SCHOOLS)	COMBINED	22,532,544	N	\$	1,248,700				\$	1,248,700							
330	2016 A-1 & A-2 TAX ALLOCATION REFUNDING BONDS (NON-HOUSING)	Fees	3/1/2016	9/1/2038	U S BANK	TRUSTEE FEES-2016 A-1 & A-2	COMBINED	63,000	N	\$	3,000									3,000		3,000	
331	2016 B-1 & B-2 TAX ALLOCATION REFUNDING BONDS (SCHOOLS)	Fees	3/1/2016	9/1/2037	U S BANK	TRUSTEE FEES-2016 B-1 & B-2	COMBINED	67,000	N	\$	3,000									3,000		3,000	
342	ADMINISTRATIVE EXPENSES JULY 2017 - JUNE 2018	Admin Costs	7/1/2017	6/30/2018	CITY OF LANCASTER	ADMINISTRATIVE EXPENSES JULY 2017 - JUNE 2018	ALL		Y	\$													
343	2017 A & B HOUSING REFUNDING BONDS	Refunding Bonds Issued After 6/27/12	3/1/2017	9/1/2039	U S BANK	DEBT SVC-2017 A & B HOUSING REFUNDING BONDS	COMBINED	90,746,939	N	\$	5,126,283				\$	5,126,283							
344	2017 A & B HOUSING REFUNDING BONDS	Fees	3/1/2017	9/1/2039	U S BANK	TRUSTEE FEES-2017 A & B HOUSING REFUNDING BONDS	COMBINED	66,000	N	\$	3,000									3,000		3,000	
345	2018 CO BOND REFUNDING FIRE	Refunding Bonds Issued After 6/27/12	3/1/2018	12/1/2023	U S BANK	DEBT SVC 2017 REFUNDING OF 2004 CO BONDS-FIRE	COMBINED		N	\$													
346	2018 CO BOND REFUNDING FIRE	Fees	3/1/2018	12/1/2023	U S BANK	TRUSTEE FEES-2017 REFUNDING OF 2004 CO BONDS-FIRE	COMBINED		N	\$													
347	2018 CO BOND REFUNDING SHERIFF	Refunding Bonds Issued After 6/27/12	3/1/2018	12/1/2023	U S BANK	DEBT SVC-2017 REFUNDING OF 2004 CO BONDS-SHERIFF	COMBINED		N	\$													
348	2018 CO BOND REFUNDING SHERIFF	Fees	3/1/2018	12/1/2023	U S BANK	TRUSTEE FEES-2017 REFUNDING OF 2004 CO BONDS-SHERIFF	COMBINED		N	\$													
349	ADMINISTRATIVE EXPENSES JULY 2018 - JUNE 2019	Admin Costs	7/1/2018	6/30/2019	CITY OF LANCASTER	ADMINISTRATIVE EXPENSES JULY 2018 - JUNE 2019	ALL	440,312	N	\$	443,312					220,156	220,156				220,156	220,156	

**Lancaster Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances**  
**July 1, 2015 through June 30, 2016**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>	
1	<b>Beginning Available Cash Balance (Actual 07/01/15)</b>					630,478	-		
2	<b>Revenue/Income (Actual 06/30/16)</b> RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during June 2015 and January 2016.					2,404,019	19,856,718		
3	<b>Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)</b>					2,174,374	19,856,718		
4	<b>Retention of Available Cash Balance (Actual 06/30/16)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	<b>ROPS 15-16 RPTTF Balances Remaining</b>	No entry required							
6	<b>Ending Actual Available Cash Balance (06/30/16)</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 + 5)	\$ -	\$ -	\$ -	\$ -	\$ 860,123	\$ -	Land sales revenue to be remitted to CAC or used for other enforceable obligations	



**STAFF REPORT**  
**Lancaster Successor Agency**

SA NB 2
01/09/18
MVB

Date: January 9, 2018

To: Chairman Parris and Agency Directors

From: Pam Statsmann, Finance Director

Subject: **Successor Agency Administrative Budgets for the Periods July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019**

---

**Recommendation:**

Adopt **Resolution No. SA 02-18**, approving the Successor Agency Administrative Budgets for the periods of July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019, as detailed in Attachments A & B.

**Fiscal Impact:**

The expenditures listed in the attachment will be paid from property tax distributions, note payments, other revenues, and if needed, loans from the City of Lancaster.

**Background:**

Health and Safety Code Section 34177(j) requires successor agencies to adopt six month budgets. These budgets are developed from the enforceable obligations listed on the Recognized Obligation Payment Schedule for the period July 1, 2018 to June 30, 2019. Each budget recommended for approval covers the corresponding six month periods of July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019.

PS:jh

**Attachments:**

Resolution No. SA 02-18

Attachment A - Successor Agency Administrative Budget July 1, 2018 to December 31, 2018

Attachment B - Successor Agency Administrative Budget January 1, 2019 to June 30, 2019

RESOLUTION NO. SA 02-18

A RESOLUTION OF THE LANCASTER SUCCESSOR AGENCY APPROVING LANCASTER SUCCESSOR AGENCY ADMINISTRATIVE BUDGETS FOR THE PERIODS JULY 1, 2018 TO DECEMBER 31, 2018 AND JANUARY 1, 2019 TO JUNE 30, 2019

WHEREAS, the Lancaster Successor Agency (Agency), has been established to take certain actions to wind down the affairs of the Lancaster Redevelopment Agency in accordance with the California Health and Safety Code; and

WHEREAS, the Agency desires to approve the Lancaster Successor Agency Administrative Budgets for the periods July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019; and

WHEREAS, a copy of each budget has been made available for review by the members of the Lancaster Successor Agency prior to the meeting at which this matter is being considered;

NOW THEREFORE, BE IT RESOLVED by the Lancaster Successor Agency, as follows:

SECTION 1. The Lancaster Successor Agency approves the Successor Agency Administrative Budgets as detailed in Attachments A & B.

SECTION 2. The City Clerk of the City of Lancaster shall certify to the adoption of this Resolution.

PASSED, APPROVED, and ADOPTED this 9<sup>th</sup> day of January, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
BRITT AVRIT, MMC  
City Clerk  
City of Lancaster

\_\_\_\_\_  
R. REX PARRIS  
Chairman  
Lancaster Successor Agency

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

CERTIFICATION OF RESOLUTION  
Lancaster Successor Agency

I, \_\_\_\_\_, \_\_\_\_\_ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. SA 02-18, 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)

\_\_\_\_\_

Attachment A  
LANCASTER SUCCESSOR AGENCY  
Administrative Budget  
for the Period July to December 2018

**ADMINISTRATIVE ALLOWANCE** \$ 220,156

Obj/Div Code	Line Item	Expenditures	
991-4540	101	Salaries - Permanent	\$ 100,055
991-4540	1XX	Benefits	50,101
		<b>TOTAL SALARIES</b>	<u><u>\$ 150,156</u></u>
991-4540	251	<b>Successor Agency Operations</b>	\$ 15,000
991-4540	301	<b>Professional Services</b>	30,000
991-4540	303	<b>Legal Services</b>	20,000
991-4540	304	<b>Audit Services</b>	5,000
		Annual Financial Audit & Financial Reports	
		<b>SUBTOTAL OPERATIONS &amp; MAINTENANCE</b>	<u><u>\$ 70,000</u></u>
		<b>TOTAL EXPENDITURES BUDGET</b>	<u><u>\$ 220,156</u></u>

Attachment B  
**LANCASTER SUCCESSOR AGENCY**  
**Administrative Budget**  
 for the Period January to June 2019

**ADMINISTRATIVE ALLOWANCE**

**\$ 220,156**

Obj/Div Code	Line Item	Expenditures	
991-4540	101	Salaries - Permanent	\$ 100,055
991-4540	1XX	Benefits	50,101
		<b>TOTAL SALARIES</b>	<b><u>\$ 150,156</u></b>
991-4540	251	<b>Successor Agency Operations</b>	\$ 15,000
991-4540	301	<b>Professional Services</b>	30,000
991-4540	303	<b>Legal Services</b>	20,000
991-4540	304	<b>Audit Services</b>	5,000
		Annual Financial Audit & Financial Reports	
		<b>SUBTOTAL OPERATIONS &amp; MAINTENANCE</b>	<b><u>\$ 70,000</u></b>
		<b>TOTAL EXPENDITURES BUDGET</b>	<b><u>\$ 220,156</u></b>



M 1
01/09/18
MVB

**LANCASTER  
CITY COUNCIL/SUCCESSOR AGENCY/  
FINANCING/POWER/  
CALIFORNIA CHOICE ENERGY AUTHORITY  
MINUTES  
December 12, 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 5:00 p.m.

**ROLL CALL**

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

EXCUSED: Council Member/Agency Director/Authority Member Underwood-Jacobs

On a motion by Council Member Mann and seconded by Council Member Malhi, the City Council/Successor Agency/Financing/Power/California Choice Energy Authority excused Council Member/Agency Director/Authority Member Underwood-Jacobs from the meeting, by the following vote: 4-0-0-1; AYES: Malhi, Mann, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: Underwood-Jacobs

**STAFF MEMBERS:**

City Manager/Executive Director; Deputy City Manager/Deputy 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**

LA County Fire Chaplain Wade Little

**PLEDGE OF ALLEGIANCE**

Council Member Malhi

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

December 12, 2017

**PRESENTATIONS**

1. Recognition of Lancaster Community Contributor, Joyce Mayberry  
Presenter: Mayor Parris

Mayor Parris left the meeting at this time.

2. Recognition of Lancaster Baptist Football Team 2017 CIF 8-Man Division 2 Champions  
Presenters: Vice Mayor Crist and Council Member Malhi
3. Recognition of Vern Lawson, Economic Development Director  
Presenters: Mark Bozigian, City Manager, Vice Mayor Crist and Council Member Malhi
4. Recognition of Brian Ludicke, Planning Director  
Presenters: Mark Bozigian, City Manager, Vice Mayor Crist and Council Member Malhi
5. Recognition of Sea Scouts  
Presenters: Vice Mayor Crist and Palmdale Mayor Pro Tem Hofbauer

**CCEA CONSENT CALENDAR**

On a motion by Authority Member Mann and seconded by Authority Member Malhi, the California Choice Energy Authority approved the Consent Calendar, by the following vote: 3-0-0-2; AYES: Malhi, Mann, Crist; NOES: None; ABSTAIN: None; ABSENT: Underwood-Jacobs, Parris

**CCEA CC 1. APPROVAL OF CONTRACT FOR ENERGY DATA SERVICES WITH THE COMPANY X**

Addressing the California Choice Energy Authority on this item:

Ryan Langdale – discussed renewable energy and drug use in the City.

Authorized the City Manager to enter into an agreement between the California Choice Energy Authority (CCEA) and the Company X for energy data services.

Appropriated \$100,000 from General Fund Balance account 101-2900-000 to expenditure account 101-4633-301, \$270,000 from Lighting Maintenance District Fund Balance account 483-2900-000 to account 483-4755-301 and \$80,000 from Lancaster Power Authority Fund Balance account 486-2900-000 to account 486-4370-301.

**M 1. MINUTES**

On a motion by Council Member Mann 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 November 14, 2017, by the following vote: 3-0-0-2; AYES: Malhi, Mann, Crist; NOES: None; ABSTAIN: None; ABSENT: Underwood-Jacobs, Parris

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

December 12, 2017

**CITY COUNCIL CONSENT CALENDAR**

Item No.'s CC 9 and CC 11 were removed from separate discussion.

Michael Rives – discussed BYD’s financial status and discussed waiting for funding from the State generated from the increase in sales

On a motion by Council Member Mann and seconded by Council Member Malhi, the City Council approved the Consent Calendar, by the following vote: 3-0-0-2; AYES: Malhi, Mann, Crist; NOES: None; ABSTAIN: None; ABSENT: Underwood-Jacobs, Parris

**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 October 15, 2017 through November 25, 2017 in the amount of **\$16,736,202.61**. Approved the Check Register as presented.

**CC 3. INVESTMENT REPORT**

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

**CC 4. SANITARY SEWER COLLECTION SYSTEM ANNUAL PERFORMANCE REPORT**

Accepted the Sanitary Sewer Collection System Annual Performance Report for Fiscal Year 2016/2017

**CC 5. RESOLUTION NO. 17-59**

Adopted **Resolution No. 17-59**, to summarily vacate and abandon a certain portion of street right-of-way located along Avenue K-8 at 10<sup>th</sup> Street West, more particularly described in Exhibit “A” and shown on Exhibit “B” of the resolution.

**CC 6. RESOLUTION NO. 17-60**

Adopted **Resolution No. 17-60**, amending Resolution 14-64 establishing a compensation schedule for various classifications of employees of the City.

**CC 7. RESOLUTION NO. 17-61**

Adopted **Resolution No. 17-61**, approving the filing of a State Disability Insurance Coverage Application for elective coverage under Section 710.5 of the Unemployment Insurance Code.

**CC 8. SUBDIVISION IMPROVEMENT AND LIEN AGREEMENT**

Approved and accepted substitution of the Subdivision Improvement and Lien Agreement submitted by Sapphire Dunes, LLC, in place of the Subdivision Undertaking Agreement and securities submitted by First Pacifica Housing Corporation, for Tract Map No. 54025, located on the southeast corner of 20<sup>th</sup> Street East and Lancaster Boulevard.

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

December 12, 2017

**CC 9. AUTHORIZATION TO PREPAY PER DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) WITH BYD COACH & BUS, LLC (BYD)**

Authorized the City Manager to prepay the One Million Four Hundred Fifty Thousand Dollars due to BYD Coach & Bus, LLC (“BYD”) pursuant to the terms of the Disposition and Development Agreement dated as of September 24, 2013, as amended on February 28, 2017 (“DDA”) upon receipt of security in the form of a promissory note and deed of trust or other security satisfactory to the City Attorney and City Manager.

Appropriated up to \$900,000 from General Fund Balance account number 101-2900-000 to expenditure account number 101-4330-998.

**CC 10. PROFESSIONAL SERVICES AGREEMENT FOR AUDIT SERVICES**

Awarded a three year Professional Services Agreement for Audit Services, pursuant to RFP 669-18, to White Nelson Diehl Evans LLP for \$78,010 in FY 17-18, \$80,350 in FY 18-19, and \$82,765 in FY 19-20, with two optional one-year extensions and authorized the City Manager to execute such agreement.

**CC 11. PROFESSIONAL SERVICES AGREEMENT FOR CONTROL TECH WEST**

Approved a professional services agreement with Control Tech West, Inc., of Temecula, California, in the amount of \$663,789.00 for the procurement and integration of an Advanced Traffic Management System (ATMS) to replace the City’s existing legacy central system, traffic signal controllers, and local firmware to the next generation ATMS and authorized the City Manager, or his designee, to sign all documents.

**NB 1. DOWNTOWN LANCASTER UPDATE – PROPOSED DEVELOPMENT**

The Economic Development Director presented the update on this item.

Received and filed the update regarding proposed projects in Downtown Lancaster

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

December 12, 2017

**NB 2. TRAFFIC SIGNAL SYSTEM MODERNIZATION PROJECT**

The Development Services Director and Deputy City Manager presented the staff report for this item.

Addressing the City Council on this item:

Michael Rives – discussed working with Palmdale on this project.

On a motion by Council Member Mann and seconded by Council Member Malhi, the City Council awarded **Public Works Construction Project No. 16-001, North County ITS Expansion and Traffic Signal System Modernization**, to Crosstown Electrical and Data, Inc., of Irwindale, California, in the amount of \$2,167,010.00 base bid, plus additive alternative in the amount of \$74,400.00, for a total bid of \$2,241,410.00, plus an 18% of \$403,453.80 contingency, to replace copper cable with fiber optic cable in the existing conduits, install new Ethernet switches in existing controller cabinets at signalized intersections, update existing fiber backbone equipment, install equipment to view images remotely through existing video detection, and install wireless communication to remote signalized intersections, by the following vote: 3-0-0-2; AYES: Malhi, Mann, Crist; NOES: None; ABSTAIN: None; ABSENT: Underwood-Jacobs, Parris

**CA 1.** Nomination and appointment of Chairs and Vice Chairs for:

- Planning Commission
- Criminal Justice Commission
- Architectural and Design Commission
- Lancaster Homeless Impact Commission
- Lancaster Healthy Community Commission

On a motion by Council Member Mann and seconded by Council Member Malhi, the City Council nominated and appointed

- James Vose, Chairman; Thomas (Randy) Hall, Vice Chairman - Planning Commission
- Jeff Little, Chairman; Liza Rodriguez, Vice Chair - Criminal Justice Commission
- Sheldon Carter, Chairman; April Bartlett, Vice Chair - Architectural and Design Commission
- Donna Termeer, Chair; Sgt. Teresa Dawson, Vice Chair - Lancaster Homeless Impact Commission
- Steven Derryberry, Chairman; Michelle Fluke, Vice Chair - Lancaster Healthy Community Commission

by the following vote: 3-0-0-2; AYES: Malhi, Mann, Crist; NOES: None; ABSTAIN: None; ABSENT: Underwood-Jacobs, Parris

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

December 12, 2017

**CA 2. NOMINATION AND APPOINTMENT OF ANGELA HEARNS AND TIMOTHY WILEY TO LANCASTER HEALTHY COMMUNITY COMMISSION**

On the nomination of Mayor Parris and seconded by Council Member Malhi, the City Council nominated and appointed Angela Hearns and Timothy Wiley to Lancaster Healthy Community Commission, by the following vote: 3-0-0-2; AYES: Malhi, Mann, Crist; NOES: None; ABSTAIN: None; ABSENT: Underwood-Jacobs, Parris

**CA 3. DISCUSSION AND POSSIBLE ACTION REGARDING OPIOID CRISIS**

It was the consensus of the City Council to defer this item to a future meeting.

**CA 4. DISCUSS AND POSSIBLE ACTION REGARDING MONUMENT SIGN AT WILLIAM J. "PETE" KNIGHT VETERANS HOME IN LANCASTER**

The City Manager discussed the City Council's attendance at the Veterans Home in Lancaster. During this visit, it was determined a monument sign is needed for this Home; Scott Ehrlich has agreed to donate this sign. Spectrum Cable has agreed to donate HBO for the Veterans at this home.

**CR 1. REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS FOR DISTRICT NO. 14 OF THE COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Vice Mayor Crist discussed Mayor Parris' request to audit the legal bills for Sanitation Districts 14 and 20.

**CR 2. REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE ANTELOPE VALLEY TRANSIT AUTHORITY**

Vice Mayor Crist stated the qualifying age for seniors to ride for free has been reduced to age 62.

**CR 3. COUNCIL REPORTS**

None

**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.

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

December 12, 2017

**CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENT**

The City Manager discussed the three area high school football teams that won CIF Championships. The City Manager thanked the City Council for their leadership and staff for all the work done for the Magical Blvd Christmas event. Additionally, the City Manager discussed the purpose and importance of bike lanes, road diets and traffic circles. Discussion of timing construction projects in the City took place. A brief video showcasing the City Council serving breakfast at the Veterans home on the City's 40<sup>th</sup> Anniversary was shown.

The City Attorney provided information regarding Cal Water. This information included the CEO's and CFO's total compensation. The City Attorney stated a Cal Water report indicates shareholders had over a 600% return on investment over the last 20 years.

**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:

George Beatty – discussed a specific area of illegal dumping, bicycle lanes at a specific location in the City and the security involved with new traffic signal system.

Michael Rives – discussed bike lanes at a specific location in the City, construction projects taking place in the City; stated there are too many bike lanes in the City.

Fran Sereseres – discussed an area where traffic accidents occur, thanked the Council for taking action regarding Gabriel's Law and stated she appreciates all the City Council does.

Shannon McDonald – discussed an area that needs speed bumps, becoming a member of the Board for Antelope Valley Partners for Health and thanked the Council for their support.

David Paul – discussed the solstice, congratulated Brian Ludicke and Vern Lawson, and stated the City is a wonderful place to live.

**COUNCIL / AGENCY COMMENTS**

Planning Commission Chair Vose stated the Planning Commission will miss Brian Ludicke and wished him well in the future.

Deputy Mayor Dorris discussed his work with the Community Center and discussed the work being done by the Salvation Army at the homeless shelter.

Council Member Malhi wished everyone Merry Christmas and thanked Brian Ludicke for teaching him when he was on the Planning Commission.

Council Member Mann thanked Brian and Vern for all they have done for the City.

Vice Mayor Crist thanked Brian and Vern for their contributions to the City.

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

December 12, 2017

**ADJOURNMENT**

Vice Mayor Crist adjourned the meeting at 6:55 p.m. and stated the next City Council/Successor Agency/Financing/Power/California Choice Energy Authority meeting will be held on Tuesday, January 9, 2018 at 5:00 p.m.

PASSED, APPROVED and ADOPTED this 9<sup>th</sup> day of January, 2018, 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**

December 12, 2017

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

CERTIFICATION OF MINUTES  
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/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/Housing/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: January 9, 2018  
To: Mayor Parris and City Council Members  
From: Pam Statsmann, Finance Director  
Subject: **Check Registers – November 26, 2017 through December 16, 2017**

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CC 2
01/09/18
MVB

**Recommendation:**

Approve the Check Registers as presented.

**Fiscal Impact:**

\$13,069,232.72 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.:	7391692-7392147	\$ 6,542,927.43
ACH/Wire Check Nos.:	101009937-101009955	<u>\$ 6,526,305.29</u>
		\$13,069,232.72
Voided Check No.:	7391717; 7391718; 7391804; 7392016	
Voided ACH/Wire No.:		

PS:sp

**Attachments:**

Check Register  
ACH/Wire Register

# City of Lancaster Check Register



From Check No.: 7391692 - To Check No.: 7392147  
 From Check Date: 11/26/17 - To Check Date: 12/16/17

Printed: 12/20/2017 9:06

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7391692	07981	FRABER PROPERTIES II LLC	CP16003-SENIOR CNTR RENOVATION	116,453.14	261 11BS025924	116,453.14
7391693	A0377	C A P P O, INC	DB-GATEWAY CHAPTER MTG-4/20/17	20.00	101 4310202	20.00
7391694	C2060	CA WATER SERVICE COMPANY	10/13/17-11/13/17 WATER SVC	1,186.75	482 4636654	1,186.75
7391695	03450	COSTCO	VIP BEVERAGES/SNACKS	332.15	101 4681222	110.71
					101 4684222B	110.71
					101 4684222M	110.73
				<u>332.15</u>		<u>332.15</u>
7391696	06168	DIVISION OF STATE ARCHITECT	CP13002-INSPECTN/PLAN CHK FEES	2,819.29	209 15ST037924	2,819.29
7391697	C0293	EAST, MARY PAULINE	11/17-CONTRACT SERVICES	5,250.00	101 4621308	5,250.00
7391698	08551	EMPLOYMENT DEVELOPMENT DEPT	EARNINGS WITHHOLDING ORDER	402.85	101 2159000	402.85
7391699	02108	FRANCHISE TAX BOARD	W/H ORDER-367746102466805057	10.00	101 2177001	10.00
7391700	02108	FRANCHISE TAX BOARD	LEVY PROCEEDS	50.00	101 2159000	50.00
7391701	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	69.62	101 2159000	69.62
7391702	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	100.00	101 2159000	100.00
7391703	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	150.00	101 2159000	150.00
7391704	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	240.00	101 2159000	240.00
7391705	D0600	L A CO DEPT OF PUBLIC WORKS	INV RE-PW-17101002415	6,341.29	206 12ST036924	243.90
					210 12ST036924	6,097.39
				<u>6,341.29</u>		<u>6,341.29</u>
7391706	05422	L A CO SHERIFF'S DEPT	CASE #M-1502-CL-20260	43.46	101 2159000	43.46
7391707	D3448	L A CO SHERIFF'S DEPT	FILE #3631104150058	125.00	101 2159000	125.00
7391708	08546	MY ENERGY	RFND-BL FEES-BUSA-17-01031	168.00	101 2179004	1.00
					101 3102200	89.00
					101 3102250	78.00
				<u>168.00</u>		<u>168.00</u>
7391709	08550	RESI SFR SUB LLC	RFND-RNTL FEES-RHA17-00400	51.00	101 2179004	1.00
					101 3102400	50.00
				<u>51.00</u>		<u>51.00</u>

# City of Lancaster Check Register



From Check No.: 7391692 - To Check No.: 7392147

From Check Date: 11/26/17 - To Check Date: 12/16/17

Printed: 12/20/2017 9:06

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7391710	C7654	SMITH, WADE	WS-REIMB-CLASS A LICENSE RNWL	43.00	101 4320311	43.00
7391711	03154	SO CA EDISON	10/09/17-11/07/17 ELECTRIC SVC	1,158.96	203 4636652 482 4636652 484 4755652	49.81 1,084.56 24.59
				<u>1,158.96</u>		<u>1,158.96</u>
7391712	03154	SO CA EDISON	10/09/17-11/22/17 ELECTRIC SVC	3,482.64	203 4636652 361 4541776 480 4755652 482 4636652 483 4785652 483 4785660 484 4755652 485 4755652	120.68 62.81 432.85 679.34 239.11 223.55 217.54 1,506.76
				<u>3,482.64</u>		<u>3,482.64</u>
7391713	03154	SO CA EDISON	10/03/17-11/03/17 ELECTRIC SVC	6,228.55	483 4785652 483 4785660	6,195.66 32.89
				<u>6,228.55</u>		<u>6,228.55</u>
7391714	1907	SO CA GAS COMPANY	10/16/17-11/20/17 GAS SVC	4,093.90	101 4631655 101 4633655 101 4634655 101 4635655	2,891.61 907.12 77.43 217.74
				<u>4,093.90</u>		<u>4,093.90</u>
7391715	C8046	U S DEPT OF EDUCATION	TAX WITHHOLDING ORDER	22.66	101 2159000	22.66
7391716	C9385	U S POSTAL SERVICE	MAIL METER POSTAGE-#38903247	10,000.00	101 4620211	10,000.00
7391719	D2896	WHITE NELSON DIEHL EVANS LLP	MA/CW/LN-GV'T TAX SMNR REGSTRN	1,185.00	101 4320256	1,185.00
7391720	06576	A V CHEVROLET	CRDT-LAMP-EQ3839 LAMP-EQ3839 FUEL TANK KIT-EQ6809	(161.06) 161.06 778.56	203 4752207 203 4752207 101 4545207	(161.06) 161.06 778.56
				<u>778.56</u>		<u>778.56</u>
7391721	C0077	A V E K	NSC-10/17-BACTERIOLOGICAL TEST	20.00	101 4635301	20.00
7391722	01039	A V FORD LINCOLN MERCURY	FUEL SENSOR-EQ4371 CONVERTER ASSY-EQ3303	35.63 2,103.71	483 4785207 203 4752207	35.63 2,103.71
				<u>2,139.34</u>		<u>2,139.34</u>
7391723	03854	A V JANITORIAL SUPPLY	DSNFCTNT/T PPR/GRFFTI RMVL	1,771.44	101 4631406	1,771.44
7391724	08036	ACCUPAY INC	2018 ACCUPAY RENEWAL	50.00	101 4310302	50.00
7391725	06352	AGILITY RECOVERY SOLUTIONS	12/17-READYSUITE	665.00	101 4315302	665.00

# City of Lancaster Check Register



From Check No.: 7391692 - To Check No.: 7392147

From Check Date: 11/26/17 - To Check Date: 12/16/17

Printed: 12/20/2017 9:06

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7391726	D1663	AMERICAN IRON WORK	AHP-GATE REPAIRS	345.00	101 4631402	345.00
7391727	05179	ARAMARK UNIFORM SVCS	UNIFORM CLEANINGS	114.27	480 4755209	114.27
			UNIFORM CLEANINGS	135.81	480 4755209	135.81
				<u>250.08</u>		<u>250.08</u>
7391728	04446	AUTO PROS	SMOG INSPECTION-EQ6809	45.00	101 4545207	45.00
			SMOG INSPECTION-EQ3781	45.00	203 4752207	45.00
			SMOG INSPECTION-EQ3301	45.00	203 4752207	45.00
			SMOG INSPECTION-EQ7505	45.00	480 4755207	45.00
			SMOG INSPECTION-EQ7606	45.00	101 4545207	45.00
			SMOG INSPECTION-EQ6812	45.00	306 4542207	45.00
			CATALYTIC CONVERTER-EQ3303	380.00	203 4752207	380.00
			SMOG INSPECTION-EQ7503	45.00	101 4631207	45.00
			SMOG INSPECTION-EQ3412	45.00	203 4752207	45.00
			SMOG INSPECTION-EQ1749	45.00	101 4310207	45.00
				<u>785.00</u>		<u>785.00</u>
7391729	06440	AUTRY, SHAKIRA	11/17 SPORTS OFFICIAL	75.00	101 4641308	75.00
7391730	08548	BREWYARD BEER COMPANY, LLC	FOD-KEG	175.00	101 4681222	175.00
7391731	08017	BURKE, WILLIAMS & SORENSEN LLP	09/17-PROFESSIONAL SERVICES	13,329.33	101 4320303	13,329.33
7391732	C0914	CAMPBELL II, EDWARD LEE	11/17 SPORTS OFFICIAL	60.00	101 4641308	60.00
7391733	08218	CHERRY, KEVIN	11/17 SPORTS OFFICIAL	150.00	101 4641308	150.00
7391734	05789	CORE & MAIN LP	OMP-MAIN LINE REPAIRS	136.33	101 4634404	136.33
7391735	00794	CORRALES, RUDY	11/17 SPORTS OFFICIAL	40.00	101 4641308	40.00
7391736	04677	D C F SOILS	NSC-SOIL	771.98	101 4635404	771.98
7391737	A9377	DAVIS COMMUNICATIONS	SAFETY CAMPAIGN-ARTWORK	1,994.10	101 4320301	1,994.10
7391738	06809	DEAR LIFE ENTERPRISES	PERF-JUST US-11/22/17	300.00	101 4305301	300.00
7391739	01047	DESERT INDUSTRIAL SUPPLY	NSC-VALVES(2)	777.45	101 4635403	777.45
7391740	08527	DIPRIMA, THOMAS	TD-ASES PANEL PRTCPNT-10/10/17	740.51	101 4100201	740.51
7391741	03409	DOUTRE, ROBERT	11/17 SPORTS OFFICIAL	180.00	101 4641308	180.00
7391742	05665	EGGERTH, DARRELL	11/17 SPORTS OFFICIAL	60.00	101 4641308	60.00
7391743	07374	ELECTRI-COM, INC	MBL HOME #39-ELECRTCIC DIAGNSIS	300.00	306 4542682	300.00
7391744	06857	ENTERTAINMENTMAX, INC	CMMSSN-WILSON PHILLPS-11/11/17	3,250.00	402 4650301	3,250.00

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			CMMSSN-HANSEL & GRETL-11/15/17	350.00	402 4650301	350.00
			COMMISSN-DAVID BOWIE-11/18/17	450.00	402 4650301	450.00
				<u>4,050.00</u>		<u>4,050.00</u>
7391745	C9406	ESTES, MAURICE (W/H)	11/17 SPORTS OFFICIAL	40.00	101 4641308	40.00
			FTB NOTICE TO WITHHOLD	(10.00)	101 2177001	(10.00)
			W/H ORDER FEE	(2.50)	101 3601100	(2.50)
				<u>27.50</u>		<u>27.50</u>
7391746	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILING	121.39	101 4782212	102.12
					209 15ST026924	19.27
				<u>121.39</u>		<u>121.39</u>
7391747	D0315	FREGOSO, PHYLLIS	12/17-STANDARD RETAINER	8,300.00	101 4680225	8,300.00
7391748	04721	GET TIRES, INC	TIRES(4)/OTR SVC-EQ3778	6,811.76	203 4752207	6,811.76
			TIRES(4)/MNTS/DISMNTS-EQ3769	1,779.01	203 4752207	1,779.01
				<u>8,590.77</u>		<u>8,590.77</u>
7391749	00822	H W HUNTER, INC	CANISTER/STUDS/GASKET-EQ5708	232.80	101 4635207	232.80
			CAP WHEEL-EQ5708	100.74	101 4635207	100.74
				<u>333.54</u>		<u>333.54</u>
7391750	07201	HALL JR, CHARLES	11/17 SPORTS OFFICIAL	75.00	101 4641308	75.00
7391751	D0325	HAMMOND, GWYNNE	11/17 SPORTS OFFICIAL	30.00	101 4641308	30.00
7391752	02585	HARRELL, BARON	11/17 SPORTS OFFICIAL	220.00	101 4641308	220.00
7391753	A2594	INTERSTATE BATTERY SYS OF A V	BATTERY-EQ6812	57.80	306 4542207	57.80
			BATTERIES(3)	298.00	101 4620207	89.60
					101 4634207	105.71
					203 4752207	102.69
			BATTERIES(5)	588.01	101 4631207	118.82
					101 4635207	118.82
					101 4640207	118.82
					101 4761207	112.73
					203 4752207	118.82
				<u>943.81</u>		<u>943.81</u>
7391754	D4004	J P POOLS	EPL/WPL-SPLASH PAD CHEMICALS	9,310.50	101 4631670	9,310.50
7391755	07696	JOHNSON, DONALD	11/17 SPORTS OFFICIAL	195.00	101 4641308	195.00
7391756	D1903	KERN MACHINERY INC-LANCASTER	LMS-KEYS(5)	25.14	101 4632207	25.14
			SEAT ASSY/DRVESHFT-EQ5611	1,298.17	101 4635207	1,298.17
			OMP-OIL	52.03	101 4634230	52.03
				<u>1,375.34</u>		<u>1,375.34</u>
7391757	1241	L A CO TAX COLLECTOR	3384020270-17/18 PPTY TAXES	1,199.26	101 4620416	1,199.26

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7391758	08545	LADYFACE ALE COMPANY, LLC	FOD-KEGS(3)	144.00	101 4681222	144.00
7391759	1203	LANCASTER PLUMBING SUPPLY	AHP-VALVES(2) OMP-CLOSET/URINAL KITS	17.41 152.99 <u>170.40</u>	101 4631403 101 4634403	17.41 152.99 <u>170.40</u>
7391760	D3390	LOPEZ, JOE	11/17 SPORTS OFFICIAL	140.00	101 4641308	140.00
7391761	04351	LYN GRAFIX	40TH ANNIVERSARY-BOTTLES(450)	2,957.37	101 4320251	2,957.37
7391762	06663	MASON, MELINDA	ALDIS GRAND OPENING-PHOTO SVCS	50.00	101 4305301	50.00
7391763	03351	MAULDIN, JOSEPH	11/17 SPORTS OFFICIAL	150.00	101 4641308	150.00
7391764	02270	MELDON GLASS	JRP-BOARD UP/WINDOW REPLACMNTS	950.00	101 4631402	950.00
7391765	C8463	MEYER, BEN	11/17 SPORTS OFFICIAL	40.00	101 4641308	40.00
7391766	06966	MICHAEL BAKER INT'L INC	CP18001-REVIVE 25 PVMNT MNGMNT	13,215.68	206 12ST036924	7,929.41
			CP17003-REVIVE 25 PVMNT MNGMNT	7,308.58	209 12ST036924	5,286.27
			CP18001-REVIVE 25 PVMNT MNGMNT	11,393.90	206 12ST036924	4,385.16
					209 12ST036924	2,923.42
					206 12ST036924	6,836.34
					209 12ST036924	4,557.56
				<u>31,918.16</u>		<u>31,918.16</u>
7391767	D3578	MINUTEMAN PRESS	LCE-00N1 WEEK 109 NOTICES	215.88	490 4370213	215.88
			LCE-00N2 WEEK 109 NOTICES	136.17	490 4370213	136.17
			LCE-LPMT NOTICES(800)	468.29	490 4370213	468.29
			LCE-TLPM NOTICES(430)	324.99 <u>1,145.33</u>	490 4370213	324.99 <u>1,145.33</u>
7391768	01184	MONTE VISTA CAR WASH	CAR WASHES(24)	445.50	101 4100207	18.00
					101 4200207	17.00
					101 4545207	15.00
					101 4545207	15.00
					101 4633207	15.00
					101 4633207	15.00
					101 4640207	15.00
					101 4640207	15.00
					101 4662207	15.00
					101 4662207	15.00
					101 4662207	15.00
					101 4761207	15.00
					101 4761207	15.00
					101 4783207	13.00
					101 4810207	13.00
					101 4810207	14.00
					101 4810207	14.00

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					101 4810207	15.00
					206 12ST036924	110.00
					251 4783207	13.00
					251 4783207	14.00
					480 4755207	15.00
					483 4755207	12.50
					486 4370207	12.00
				<u>445.50</u>		<u>445.50</u>
7391769	05773	MORRISON WELL MAINTENANCE	NSC-10/17-BACTERIOLOGICAL TEST	200.00	101 4635301	200.00
7391770	07509	NAPA AUTO PARTS	JOINT-EQ3769	13.59	203 4752207	13.59
			EXHAUST MANIFOLD-EQ3301	92.90	203 4752207	92.90
			BRAKE CALIPERS/ROTORS-EQ6816	480.27	101 4545207	480.27
			PLUG KIT-EQ2386	61.31	101 4753207	61.31
			BRAKE PADS(2)-EQ4328	177.37	203 4785207	177.37
			CAP FILTERS(2)-EQ3981	8.96	483 4755207	8.96
			CREDIT-CORE DEPOSITS-EQ6816	(118.00)	101 4545207	(118.00)
			NOZZLE-EQ3981	27.65	483 4755207	27.65
			CREDIT-CORE DEPOSIT-EQ6816	(31.76)	101 4545207	(31.76)
			AIR FILTERS(4)-EQ3773	47.22	203 4752207	47.22
				<u>759.51</u>		<u>759.51</u>
7391771	05741	P P G ARCHITECTURAL FINISHES	NSC-FIELD PAINT	1,192.32	101 4635404	1,192.32
			NSC-FIELD PAINT	1,192.32	101 4635404	1,192.32
				<u>2,384.64</u>		<u>2,384.64</u>
7391772	01587	PREFERRED WINDOW TINTING	OMP-WINDOW REPAIRS	972.00	207 4634402	972.00
7391773	08549	PROACTIVE CONSULTING GROUP LLC	CONSULTING SERVICES	500.00	101 4320301	500.00
7391774	05864	QUINN COMPANY	HOSE-EQ3774	117.15	203 4752207	117.15
7391775	D3947	S G A CLEANING SERVICES	PBP-GATE REPAIRS	365.00	101 4631402	365.00
7391776	07513	SABO, KARLIE	11/17 SPORTS OFFICIAL	30.00	101 4641308	30.00
7391777	A8260	SAGE STAFFING	MB-FINANCE STAFF-11/06-10/17	837.00	101 4310308	837.00
			GK-PUBLIC SFTY STFF-11/06-10/17	373.00	101 4820301	373.00
			SS-PUBLIC SFTY STFF-11/06-10/17	345.03	101 4820301	345.03
				<u>1,555.03</u>		<u>1,555.03</u>
7391778	C3064	SANTOS, RENALDO	11/17 SPORTS OFFICIAL	220.00	101 4641308	220.00
7391779	06664	SEA SUPPLY	NSC-DRAIN CLEANER	43.32	101 4635406	43.32
			NSC-CN LNR/T PPR/ST CVRS	1,600.50	101 4635406	1,600.50
				<u>1,643.82</u>		<u>1,643.82</u>
7391780	D2568	SEQUOIA PACIFIC SOLAR I, LLC	CH-10/17(70353.44 KWH)	7,035.34	101 4633652	7,035.34
			MTNC YD-10/17(34863.72 KWH)	3,486.37	101 4633652	3,486.37



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			OMP-10/17(22185.6 KWH)	2,218.56	101 4634652	2,218.56
			PAC-10/17(24994.24 KWH)	2,499.42	402 4650652	2,499.42
			LMS-10/17(30206.72 KWH)	3,020.67	101 4632652	3,020.67
				<u>18,260.36</u>		<u>18,260.36</u>
7391781	07139	SITEONE LANDSCAPE SUPPLY LLC	OMP/RDP-RYE SEED(29 BAGS)	1,978.34	101 4634404	1,978.34
7391782	01816	SMITH PIPE & SUPPLY INC	LMS-QVC KEY/HOSE SWIVEL	84.52	101 4632404	84.52
			STP-HOSE/PIPES/DRAINS	72.45	101 4631404	72.45
			LMS-FERTILIZER	302.22	101 4632404	302.22
			WCP-PAINT	19.05	101 4631404	19.05
			WCP-SOLEND ASSY/PIPE CTTRS/PNT	171.36	101 4631404	171.36
				<u>649.60</u>		<u>649.60</u>
7391783	06429	STANTEC CONSULTING SRVCS INC	CP1406-10W/AVE I-ROAD DIET	6,292.00	209 15ST042924	6,292.00
7391784	D3585	SWENSON, ERIC MINH	MOAH-VIDEO SVCS-IMAGEN ANGELNO	416.00	101 4644251	416.00
7391785	2009	THE TIRE STORE	TIRES(4)-EQ7507	466.90	251 4783207	466.90
7391786	08547	THOMPSON, DENESEE	RFND-RNTL DEP-OMP-AUG-NOV 2017	100.00	101 2182001	100.00
7391787	C5522	THOMSON REUTERS-WEST PMT CENT	10/17-INFORMATION CHARGES	492.82	101 4400301	492.82
7391788	04239	TIM WELLS MOBILE TIRE SERVICE	SERVICE CALL-EQ3773	125.00	203 4752207	125.00
7391789	04496	VULCAN MATERIAL WESTERN DIV	COLD MIX	138.85	203 4752410	138.85
			COLD MIX	325.22	203 4752410	325.22
			COLD MIX	118.92	203 4752410	118.92
			COLD MIX	255.46	203 4752410	255.46
				<u>838.45</u>		<u>838.45</u>
7391790	31026	WAXIE SANITARY SUPPLY	OMP-TRSH BGS/GLVS/TWLS	1,318.10	101 4634406	1,318.10
			OMP-TOLIET PAPER	318.90	207 4634406	318.90
				<u>1,637.00</u>		<u>1,637.00</u>
7391791	08393	WEISER, SARA	11/17 SPORTS OFFICIAL	70.00	101 4641308	70.00
7391792	D0298	WILLDAN FINANCIAL SERVICES	FY16/17 FISCAL STATUS REPORT	12,000.00	991 4540962	1,500.00
					991 4540962	2,500.00
					991 4540962	2,500.00
					991 4540962	2,500.00
					991 4540962	3,000.00
				<u>12,000.00</u>		<u>12,000.00</u>
7391793	C5965	WOLF, LAWRENCE	11/17 SPORTS OFFICIAL	160.00	101 4641308	160.00
7391794	D3242	ZIMMER, DANIEL	11/17 SPORTS OFFICIAL	280.00	101 4641308	280.00
7391795	1215	L A CO WATERWORKS	09/12/17-11/16/17 WATER SVC	56,302.33	101 4631654	28,882.62

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					101 4633654	1,114.97
					101 4651654	327.61
					101 4810403	128.56
					203 4636654	1,672.41
					306 4542684	43.42
					363 4542770	42.89
					363 4542771	42.89
					482 4636654	24,046.96
				56,302.33		56,302.33
7391796	06344	AERO VIEW LLC	12/17-LEAPS SERVICES	89,991.00	101 4820301	89,991.00
7391797	07981	FRABER PROPERTIES II LLC	CP16003-SENIOR CNTR RENOVATION	593,924.54	261 11BS025924	11,102.40
					261 11BS025924	582,822.14
				593,924.54		593,924.54
7391798	00781	GRANITE CONSTRUCTION CO.	CP16009-2016 PVMNT MNGMNT-5	271,713.82	203 12ST034924	225,907.10
			CP16009-2016 PVMNT MNGMNT-6	367,281.15	209 12ST035924	45,806.72
			CP17008-10TH ST W GAP CLOSURE	333,675.15	203 12ST034924	366,378.77
					209 12ST035924	902.38
					209 15ST026924	161,509.07
					220 15ST026924	94,402.45
					321 15ST026924	77,763.63
				972,670.12		972,670.12
7391799	06211	HARDY & HARPER INC	CP17010-BLVD BIKWY/ROAD DIET-1	1,138,473.83	209 15ST038924	475,000.00
					210 15ST038924	451,408.21
					399 15ST038924	212,065.62
				1,138,473.83		1,138,473.83
7391800	08529	ALLEN, DEBORAH A.	40TH ANNIVERSARY-ARTIST SVCS	430.00	101 4330251	430.00
7391801	06857	ENTERTAINMENTMAX, INC	40TH ANNIVERSARY ENTERTAINMENT	7,550.00	101 4330251	7,550.00
7391802	C6406	WELLS, KATHY	KW-MILG-SANT CLARA-11/14-16/17	64.41	491 4370201	64.41
7391803	C6406	WELLS, KATHY	KW-MILAGE-OAKLAND-11/09/17	64.41	491 4370201	64.41
7391805	06145	ARTESIA ICE	MGC-SNOW(10 TONS)	2,400.00	101 4684222M	2,400.00
7391806	C4080	AVRIT, BRITT	BA-PR DM-NWPRT BCH-12/13-15/17	160.00	101 4320256	160.00
7391807	D1872	CA WATER ENVIRONMENTAL ASSN	SF-CWEA CERTIFICATE RNWL	95.00	101 4320311	95.00
7391808	D1872	CA WATER ENVIRONMENTAL ASSN	GW-CWEA MEMBERSHIP RNWL	180.00	101 4320311	180.00
7391809	D3231	COUWENBERG, ANDREA	12/17-CONTRACT SERVICES	10,266.00	101 4644308	10,266.00
7391810	06809	DEAR LIFE ENTERPRISES	MGC-PERF-JUST US-12/9/17	400.00	101 4684222M	400.00

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7391811	D3792	DEFALCO, CATHY	CD-PR DM-SAN DIEGO-12/04/17	48.00	491 4370201	48.00
7391812	A9002	DEPT OF CONSUMER AFFAIRS	AL-LICENSE RENEWAL	115.00	101 4762206	115.00
7391813	C8592	EPLING, TERESA	REIMB-PHOTO/GUESTBOOK-VL	101.75	101 4100205	101.75
7391814	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	319.77	101 2159000	319.77
7391815	C4222	GALO, RAMON JOSE	RG-MGC-REIMB-BACKDROP/BULBS	116.62	101 4684222M	116.62
7391816	07694	HALE, ANA	AH-PR DM-NWPRT BCH-12/14/17	48.00	101 4320256	48.00
7391817	07904	HAPPY HALTERS-MINTERS, DEBORAH	MGC-PETTING ZOO-12/9/17	1,500.00	101 4684222M	1,500.00
7391818	08553	HORIZON SOLAR POWER	RFND-SOLAR PERMIT-PMT17-04138	117.11	251 3201100	117.11
7391819	D3355	IMAGINATION ENTERTAINMENT	MGC-PERF-STILT WALKERS-12/9/17	1,200.00	101 4684222M	1,200.00
7391820	1214	L A CO SHERIFF'S DEPT	10/17-SPECIAL EVENT-BOOLVD	965.01	101 4820355	877.28
					101 4820357	87.73
				<u>965.01</u>		<u>965.01</u>
7391821	1214	L A CO SHERIFF'S DEPT	10/17-SPECIAL INVESTIGATIONS	3,471.49	101 4820355	3,155.90
					101 4820357	315.59
				<u>3,471.49</u>		<u>3,471.49</u>
7391822	1241	L A CO TAX COLLECTOR	AHP-3133002802-16/17 ADJSTD TX	685.69	101 4633416	685.69
7391823	1241	L A CO TAX COLLECTOR	AHP-3133002802-17/18 ADJSTD TX	717.71	101 4633416	717.71
7391824	1241	L A CO TAX COLLECTOR	AHP-3133027007 17/18 PRP TAX	5,519.32	101 4633416	5,519.32
7391825	1215	L A CO WATERWORKS	09/21/17-11/22/17 WATER SVC	16,302.07	101 4632654	4,356.36
					101 4633654	50.96
					203 4636654	3,055.97
					203 4752654	227.05
					306 4542684	727.31
					361 4541776	124.07
					402 4650654	427.89
					482 4636654	7,332.46
				<u>16,302.07</u>		<u>16,302.07</u>
7391826	D2287	LANCASTER CODE ENFRMNT ASSN	UNION DUES-PP 24-2017	300.00	101 2171000	300.00
7391827	A4930	LANDALE MUTUAL WATER COMPANY	L/CHALLENGER-11/17 WATER SVC	57.38	203 4636654	57.38
7391828	08555	LESH, KENNETH	CLAIM #043-17 SETTLEMENT	1,215.00	109 4330300	1,215.00
7391829	05995	MEYN, RONALD F	MGC-ICE SCULPTING-12/9/17	5,075.00	101 4684222M	5,075.00

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7391830	D1105	MONTERO, MAYRA	MM-MILGE-RNCH MIRG-10/23-25/17	143.05	101 4320256	143.05
7391831	07144	PALMDALE CHAMBER SINGERS	MGC-PERF-CHAMBER SNGRS-12/9/17	300.00	101 4684222M	300.00
7391832	08552	PREFERRED REMODELING AND CONS	RFND-PERMIT FEES-PMT17-04758	122.40	251 3201100	122.40
7391833	C8981	RENEAU, KEVIN C	KA-REIMB-CLASS A LICENSE RNWL	43.00	101 4320311	43.00
7391834	03154	SO CA EDISON	10/20/17-11/20/17 ELECTRIC SVC	201.31	482 4636652	201.31
7391835	03154	SO CA EDISON	08/24/17-11/30/17 ELECTRIC SVC	17,105.65	101 4540902 101 4632652 101 4633652 101 4634652 402 4650652 482 4636652 483 4785652 483 4785660 484 4755652	896.26 2,850.49 4,855.90 4,225.89 3,888.91 146.10 128.73 64.48 48.89 17,105.65
7391836	03154	SO CA EDISON	05/19/17-08/31/17 NON ENERGY	39,509.48	491 4370003P	39,509.48
7391837	1907	SO CA GAS COMPANY	10/19/17-11/22/17 GAS SVC	2,824.67	101 4631655 101 4633655 101 4651655 101 4810403 402 4650655	89.32 1,757.80 251.88 25.21 700.46 2,824.67
7391838	06771	STATE WATER RESOURCES BOARD	DH-SWRCB OPERATOR CERT RNWL	80.00	480 4755311	80.00
7391839	08554	STENBACK, KATHLEEN	KS-PR DM-NWPRT BCH-12/14/17	48.00	101 4320256	48.00
7391840	D3359	SUNDAY NIGHT SINGERS	MGC-PERF-MUSIC-12/9/17	500.00	101 4684222M	500.00
7391841	C9875	THOMPSON, ALLEN	AT-PR DM-LOS ANGLS-11/27-29/17	160.00	101 4200350	160.00
7391842	C2555	TIME WARNER CABLE	11/17-TV SERVICE-VICE MAYOR	21.64	101 4315651	21.64
7391843	C2555	TIME WARNER CABLE	11/17-TV SERVICE-CITY MANAGER	63.68	101 4315651	63.68
7391844	C2555	TIME WARNER CABLE	12/17-BUSINESS-MAYORS OFFICE	129.32	101 4315651	129.32
7391845	C2555	TIME WARNER CABLE	12/17-ROADRUNNER SERVICE	232.46	101 4315651	232.46
7391846	08537	VASQUEZ, MATTHEW	11/17-VOLUNTEER MEAL ALLOWANCE	36.00	101 4540340	36.00
7391847	C2176	WEAVER, DAVID	MGC-PERF-SANTA-12/9/17	250.00	101 4684222M	250.00

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7391848	08290	4WALL ENTERTAINMENT INC	PAC-SPOTLIGHT/LAMP	2,817.99	402 4650403	2,817.99
7391849	C7500	A B I DOCUMENT SUPPORT SRVCS	CLAIM #040-15/CLGL-1346A1 CLAIM #040-15/CLGL-1346A1	154.40 137.19 <u>291.59</u>	109 4330300 109 4330300	154.40 137.19 <u>291.59</u>
7391850	00116	A V ENGINEERING	WC-RESIDENTIAL IN FILL WC-RESIDENTIAL IN FILL CRTVE HSNG PRJCT-PRGRS BILLNG CRTVE HSNG PRJCT-PRGRS BILLNG	15,100.00 3,205.00 7,565.00 12,800.00 <u>38,670.00</u>	361 4541900 361 4541900 361 4541900 361 4541900	15,100.00 3,205.00 7,565.00 12,800.00 <u>38,670.00</u>
7391851	00498	A V SPORTS & GRAPHICS	JERSEYS(230)	3,387.34	101 4641251	3,387.34
7391852	05445	ADELMAN BROADCASTING, INC	PAC-11/17 ADS-WILSON PHILLIPS PAC-11/17 ADS-WILSON PHILLIPS PAC-11/17 ADS-WARTIME RADIO PAC-11/17 ADS-WARTIME RADIO	480.00 60.00 480.00 60.00 <u>1,080.00</u>	402 4650205 402 4650205 402 4650205 402 4650205	480.00 60.00 480.00 60.00 <u>1,080.00</u>
7391853	D3147	AMERICAN PLUMBING SERVICES,INC	LMS-BACKFLOW REPAIRS PBP-BACKFLOW REPAIRS 155 E AVE I-BACKFLOW REPAIRS	960.74 190.00 868.22 <u>2,018.96</u>	101 4632402 101 4631402 101 4633402	960.74 190.00 868.22 <u>2,018.96</u>
7391854	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS UNIFORM CLEANINGS	48.05 55.61 <u>103.66</u>	101 4753209 101 4753209	48.05 55.61 <u>103.66</u>
7391855	01933	AMERON	STREETLIGHT POLES(15)	33,970.26	483 4755460	33,970.26
7391856	05251	AMTECH ELEVATOR SERVICES	12/17-ELEVATOR SERVICE	954.79  <u>954.79</u>	101 4632301 101 4633301 402 4650301	257.06 257.06 440.67 <u>954.79</u>
7391857	02693	ANDY GUMP, INC	FOD-FENCE RNTL-11/1-28/17 HP-FENCE RNTL-11/16-12/13/17 SOL-FENCE RNTL-11/1-6/17	153.30 17.74 124.00 <u>295.04</u>	101 4681222 101 4634602 101 4684222S	153.30 17.74 124.00 <u>295.04</u>
7391858	05179	ARAMARK UNIFORM SVCS	UNIFORM CLEANINGS	114.27	480 4755209	114.27
7391859	08130	ARTAROUND STUDIO	11/17-KIDSWORKS INSTRUCTION	252.00	101 4643308	252.00
7391860	D2995	ARTILLERY, LLC	MOAH-01/18-02/18-ADVERTISEMENT	1,250.00	101 4644251	1,250.00
7391861	04446	AUTO PROS	SMOG INSPECTION-EQ3822 SMOG INSPECTION-EQ5857	45.00 45.00	203 4752207 101 4640207	45.00 45.00

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			SMOG INSPECTION-EQ5710	45.00	101 4635207	45.00
			SMOG INSPECTION-EQ3823	45.00	482 4752207	45.00
				180.00		180.00
7391862	03485	BAKERSFIELD TRUCK CENTER	FAN DRIVE-EQ3384	820.03	203 4752207	820.03
			SHIFT CONTROL CABLE-EQ3384	224.73	203 4752207	224.73
				1,044.76		1,044.76
7391863	C8921	BARTEL ASSOCIATES, LLC	09/17-CONSULTING SERVICES	2,362.00	101 4310301	2,362.00
7391864	07612	CA COMMUNITY CHOICE ASSOC	LCE-17/18-REV MMBRSHIP CNTRBTN	43,252.50	490 4370206	13,300.00
					490 4370303	29,952.50
				43,252.50		43,252.50
7391865	08313	CA SPECIAL DISTRICTS ASSOC	2018 CSDA MEMBERSHIP RNWL	541.00	491 4370206	541.00
7391866	06020	CANON FINANCIAL SERVICES, INC	12/17 COPIER LEASE	13,694.55	101 4310254	13,694.55
7391867	D2070	CONFIDENTIAL DATA DESTRUCTION	DOCUMENT DESTRUCTION(6 BXS)	105.00	101 4200301	17.50
					101 4310259	17.50
					101 4320301	17.50
					101 4620259	17.50
					101 4701259	17.50
					101 4810301	17.50
				105.00		105.00
7391868	07545	COSTAR REALTY INFORMATION INC	12/17-PROFESSIONAL SERVICES	958.26	101 4540301	958.26
7391869	D1463	CROP PRODUCTION SERVICES	WCP-SEED(1500 LBS)	1,773.90	101 4631404	1,773.90
7391870	A9377	DAVIS COMMUNICATIONS	READY LANC CAMPGN-DESIGN SVCS	2,098.29	101 4305205	2,098.29
7391871	00432	DEPT OF JUSTICE	10/17-FINGERPRINT APPS	613.00	101 4320301	613.00
7391872	D4053	DEPT OF PUBLIC HEALTH	104 E K4-17/18 BACKFLOW FEES	32.00	101 4632402	32.00
			2100 H8-17/18 BACKFLOW FEES	32.00	101 4633311	32.00
			LUC-BACKFLOW FEES-AR0263619	96.00	101 4633311	96.00
			PAC-BACKFLOW FEES-AR0263627	32.00	402 4650311	32.00
			MTNC YD-BACKFLOW FEE-AR0263628	64.00	101 4633311	64.00
			PBP-BACKFLOW FEES-AR0263631	32.00	101 4633311	32.00
			CH-BACKFLOW FEES-AR0263633	32.00	101 4633311	32.00
				320.00		320.00
7391873	00414	DESERT LOCK COMPANY	CH-KEYS(3)	13.68	101 4633403	13.68
			KEYS(3)	4.38	101 4633403	4.38
			CH-REKEY/KEYS	44.24	101 4633403	44.24
			MTNC YD-KEYS(4)	13.24	101 4633403	13.24
				75.54		75.54
7391874	05473	DEWEY PEST CONTROL	MTNC YD-11/17 PEST CONTROL SVC	137.00	203 4752402	137.00

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			PAC-11/17 PEST CONTROL SVC	50.00	402 4650402	50.00
			CDR ST-11/17 PEST CONTROL SVC	90.00	101 4651301	90.00
			LUC-11/17 PEST CONTROL SVC	75.00	101 4633301	75.00
			LBP-11/17 PEST CONTROL SVC	95.00	101 4636402	95.00
				<u>447.00</u>		<u>447.00</u>
7391875	07159	DIAZ, BRANDON	11/17-TENNIS INSTRUCTOR	231.00	101 4643308	231.00
			11/17-TENNIS INSTRUCTOR	37.80	101 4643308	37.80
			11/17-TENNIS INSTRUCTOR	269.50	101 4643308	269.50
				<u>538.30</u>		<u>538.30</u>
7391876	D3206	ENTERPRISE COUNSEL GROUP	06/17-LEGAL SERVICES	282.33	991 4540303	282.33
7391877	06380	EWING IRRIGATION PRODUCTS, INC	FOD-FIELD PAINT	118.26	101 4681222	118.26
			OMP-FIELD PAINT	815.80	101 4634404	815.80
			LMS-TURFACE(40 BAGS)	648.24	101 4632404	648.24
				<u>1,582.30</u>		<u>1,582.30</u>
7391878	C6890	E Z DIRECT, INC	2018 WINTER OUTLOOK(84512)	1,849.20	101 4305253	1,109.52
					101 4643253	739.68
				<u>1,849.20</u>		<u>1,849.20</u>
7391879	D3240	FASTENAL COMPANY	NSC-BOLTS/NUTS	17.01	101 4635207	17.01
7391880	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	68.21	306 4542212	68.21
7391881	02025	G & F LIGHTING SUPPLY CO.	CH-LAMPS(3)	351.43	101 4633404	351.43
7391882	04721	GET TIRES, INC	TIRES(4)/MNTS/DSMNTS-EQ4328	1,808.32	203 4785207	1,808.32
7391883	07212	GINO'S ITALIAN RESTAURANT	CARES-FIELD TRIP-11/28/17	600.00	101 4670270	600.00
7391884	06649	GRADY, VICTOR	11/17-GUITAR INSTRUCTOR	147.00	101 4643308	147.00
7391885	00822	H W HUNTER, INC	LATCH CAR-EQ5787	203.23	101 4631207	203.23
			BATTERY REPLACEMENT-EQ6815	155.35	101 4631207	155.35
				<u>358.58</u>		<u>358.58</u>
7391886	00849	HAAKER EQUIPMENT CO	AIR CYLINDER/TOOTH-EQ3351	161.46	480 4755207	161.46
7391887	D0574	HAMPTON INN & SUITES-LANCASTER	MOAH-LODGING-11/11/17	151.78	101 4644251	151.78
7391888	07044	HARTMAN, BRETT D	SEED COLLECTION/DISPERSAL	2,516.38	224 13EV001924	2,516.38
7391889	819	HERC RENTALS INC	BOO-FORKLFT RNTL-10/27-11/3/17	1,913.81	101 4684222B	1,913.81
7391890	08505	HERNANDEZ, RAFAEL	11/17-ARCHERY INSTRUCTOR	90.00	101 4643308	90.00
7391891	C9535	HILLYARD/LOS ANGELES	PAC-CAN LINERS/TOWELS	1,028.85	402 4650406	1,028.85

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7391892	07127	HUMAN ELEMENT	11/17-BARRE INSTRUCTION	112.00	101 4643308	112.00
7391893	07746	INDIE BREWING LLC	FOD-KEGS(3)	273.21	101 4681222	273.21
7391894	D3842	INNOVATION EDUCATION	11/17-ITALIAN INSTRUCTION	280.00	101 4643308	280.00
			11/17-LEGO ROBOTICS INSTRUCTN	240.00	101 4643308	240.00
			11/17-ITALIAN INSTRUCTION	168.00	101 4643308	168.00
				<u>688.00</u>		<u>688.00</u>
7391895	06623	INTERN'L DANCE FITNESS ACADEMY	11/17-ZUMBA INSTRUCTION	154.80	101 4643308	154.80
			11/17-HIP HOP INSTRUCTION	283.80	101 4643308	283.80
				<u>438.60</u>		<u>438.60</u>
7391896	A2594	INTERSTATE BATTERY SYS OF A V	BATTERIES(4)-EQ5828	475.24	101 4631207	475.24
			BATTERIES(6)-EQ3410	712.87	203 4752207	712.87
				<u>1,188.11</u>		<u>1,188.11</u>
7391897	C8259	JOHNSON, LEONARD	11/17-TENNIS INSTRUCTOR	70.00	101 4643308	70.00
7391898	01419	JOHNSTONE SUPPLY	PRESSURE SWITCH	20.79	101 4633403	20.79
			GLOVES(2 BOXES)	9.79	101 4633403	9.79
			CRDT-PRESSURE SWITCH	(20.79)	101 4633403	(20.79)
			THERMOSTAT/SWITCH/TUBING	64.46	101 4633403	64.46
				<u>74.25</u>		<u>74.25</u>
7391899	08363	KAMBRIAN CORPORATION	LAPTOP PRIVACY FILTER	221.22	306 4542259	221.22
7391900	08291	KATZ-ARUSH, SHOSHANA	11/17-HEBREW INSTRUCTOR	195.00	101 4643308	195.00
7391901	D1903	KERN MACHINERY INC-LANCASTER	FUEL FILTER/SPINDLE KIT-EQ5611	237.81	101 4635207	237.81
7391902	08016	KILL-A-WATT ELECTRICAL	AVE M8/40 W-REPLACE BULBS(15)	975.00	482 4636462	975.00
7391903	C8919	KOCUREK, PHILLIP	11/17-PHOTOGRAPHY INSTRUCTOR	117.00	101 4643308	117.00
7391904	1203	LANCASTER PLUMBING SUPPLY	STP-URINAL KITS/COVERS	139.03	101 4631403	139.03
7391905	D1736	LEVEL 3 COMMUNICATIONS LLC	11/17-INTERNET/DATA-#50041351	3,931.67	101 4315651	3,931.67
7391906	07725	LOCAL CRAFT BEER, LLC	FOD-KEGS/BEVERAGE CASES	987.00	101 4681222	987.00
7391907	07086	LUCKY LUKE BREWING COMPANY	FOD-KEGS(5)	542.00	101 4681222	542.00
7391908	04351	LYN GRAFIX	40 ANNIVERSARY-MUGS(72)	653.08	101 4305205	653.08
7391909	06873	MAHER ACCOUNTANCY	LCE-QRTRLY ENERGY TAX RETURNS	485.00	490 4370301	485.00
			CCEA-09/17-ENERGY CNSLTNG SVCS	2,500.00	491 4370002P	2,500.00
			CCEA-10/17-ENERGY CNSLTNG SVCS	2,500.00	491 4370002P	2,500.00
			CCEA-10/17-ENERGY CNSLTNG SVCS	2,500.00	491 4370002P	2,500.00



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				7,985.00		7,985.00
7391910	06663	MASON, MELINDA	VETERANS BFAST-PHOTO SVCS	50.00	101 4305205	50.00
7391911	C1198	MC PHERSON CONSULTING	PAC-ALARM SYSTEM REPAIRS	357.50	402 4650403	357.50
			ZELDAS-SECURTY EQPMNT INSTLLTN	965.00	402 4650403	965.00
				<u>1,322.50</u>		<u>1,322.50</u>
7391912	31007	MOTION INDUSTRIES, INC	COUPLERS/COUPLINGS-EQ3773	372.78	203 4752207	372.78
7391913	05871	MUNICIPAL MAINTENANCE EQUIPMNT	SPRAY TIPS/STRAINERS-EQ3384	667.08	203 4752207	667.08
7391914	C9177	MUNISERVICES, LLC	4TH QTR 2016-SUTA SERVICES	4,380.19	101 4310301	4,380.19
7391915	D2822	NATIONAL CINEMEDIA, LLC	PS-FLIGHT ADS-07/28-08/31/17	143.98	101 4810205	143.98
			PS-FLIGHT ADS-09/29-10/26/17	37.62	101 4810205	37.62
			FLIGHT ADS-09/29-10/26/17	56.84	101 4640205	9.49
					101 4681222	9.47
					101 4684222B	9.47
					101 4684222C	9.47
					101 4684222M	9.47
					101 4684222S	9.47
			PS-THEATER ADS-10/27-11/2/17	286.25	101 4810205	286.25
			THEATER ADS-11/10-12/07/17	769.32	101 4640205	128.22
					101 4681222	128.22
					101 4684222B	128.22
					101 4684222C	128.22
					101 4684222M	128.22
					101 4684222S	128.22
				<u>1,294.01</u>		<u>1,294.01</u>
7391916	06148	NIK-O-LOK, INC	12/17-MONTHLY COIN LOCK LEASE	39.00	101 4633403	39.00
7391917	07540	OFFICETEAM	DP-HR STAFF-10/23-27/17	1,825.60	101 4320308	1,825.60
			DP-HR STAFF-1030-11/03/17	1,825.60	101 4320308	1,825.60
			DP-HR STAFF-11/06-10/17	1,825.60	101 4320308	1,825.60
				<u>5,476.80</u>		<u>5,476.80</u>
7391918	05509	P A R S	09/17-REP FEES	4,814.15	101 4320301	4,814.15
7391919	A7221	P E R S LONG TERM CARE PROGRAM	LONG TERM CARE PREM-PP 24-2017	2,147.46	101 2170200	2,147.46
7391920	05741	P P G ARCHITECTURAL FINISHES	PRIMER	70.30	101 4631403	70.30
			OMP-FIELD PAINT	89.61	101 4634404	89.61
			SPONGES/SCRAPERS/PAINT	128.46	203 4752502	128.46
			PAINT	506.28	203 4752502	506.28
			CLOTHS/TRAY LINERS/TRAY	89.15	203 4752502	89.15
			AHP-PRIMER/GRAFFITI WIPES	168.50	101 4631403	168.50
				<u>1,052.30</u>		<u>1,052.30</u>

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7391921	07554	PACIFIC PRODUCTS AND SVCS LLC	LCE-STENCILS(2)	506.99	490 4370205	506.99
7391922	05998	PAVING THE WAY FOUNDATION	CMMNTY SPPRT/GOOD CTZNSHP PRGM CMMNTY SPPRT/GOOD CTZNSHP PRGM	450.00 1,776.00 2,226.00	399 4820776 399 4820776	450.00 1,776.00 2,226.00
7391923	05499	PENSKE TRUCK LEASING CO LP	MOAH-TRUCK RNTL-11/15/17	190.72	101 4644602	190.72
7391924	07188	PEPPER POT CHEFS	11/17-COOKING INSTRUCTION 11/17-COOKING INSTRUCTION 11/17-KITCHEN KIDS INSTRUCTION	180.00 126.00 108.00 414.00	101 4643308 101 4643308 101 4643308	180.00 126.00 108.00 414.00
7391925	C5395	PRO ACTIVE WORK HEALTH SERVICES	WH-DMV DOT PHYSICAL-10/02/17 MS-DMV DOT PHYSICAL-10/04/17 RG-DMV DOT PHYSICAL-10/26/17 DW-ESCRN/BAT NON DOT-10/27/17 JA-DMV DOT PHYSICAL-10/11/17 MA-MASK FIT-10/02/17 BM-TSPOT/PHYS/ESCRN-10/06/17 DS-RSPRTR/PLMNRY/MASK-10/10/17 MT-RSPRTR/PLMNRY/MASK-10/03/17 RW-RSPRTR/PLMNRY/MASK-10/03/17 GW-RSPRTR/PLMNRY/MASK-10/04/17 TO-ESCRN/BAT NON DOT-10/18/17 KS-PHYS/ESCRN/TB TSTS-10/18/17	69.00 69.00 69.00 75.00 69.00 10.00 155.00 110.00 110.00 110.00 110.00 110.00 75.00 100.00 1,131.00	101 4320301 101 4320301 101 4320301 101 4320301 101 4320301 480 4755200 101 4320255 480 4755200 480 4755200 480 4755200 480 4755200 480 4755200 101 4320301 101 4320255	69.00 69.00 69.00 75.00 69.00 10.00 155.00 110.00 110.00 110.00 110.00 110.00 75.00 100.00 1,131.00
7391926	05864	QUINN COMPANY	HOSE ADAPTERS(6)-EQ3312 MOTOR-EQ3835	119.44 818.20 937.64	203 4752207 484 4752207	119.44 818.20 937.64
7391927	A9382	R H A LANDSCAPE ARCHITECTS	PDW-EXPANSION RESEARCH/WORKSH	3,810.60	224 11GS011924	3,810.60
7391928	05943	ROBERTSON'S	CONCRETE CONCRETE	600.06 600.06 1,200.12	203 4752410 203 4752410	600.06 600.06 1,200.12
7391929	03378	ROTTMAN DRILLING CO	PBP-WELL MAINTENANCE	907.50	101 4631670	907.50
7391930	08492	RUTAN & TUCKER, LLP	10/17-LEGAL SERVICES	1,645.00	991 4540303	1,645.00
7391931	D3947	S G A CLEANING SERVICES	STP-GRAFFITI REMOVAL	995.00	101 4631402	995.00
7391932	A8260	SAGE STAFFING	MB-FINANCE STAFF-11/13-17/17 GK-PUBLIC SFTY STFF-11/13-17/17 SS-PUBLIC SFTY STFF-11/13-16/17	697.50 503.55 345.03 1,546.08	101 4310308 101 4820301 101 4820301	697.50 503.55 345.03 1,546.08

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7391933	1919	SAV-ON FENCE COMPANY	CH-BACK WALL FENCING	29,522.00	228 4633402	29,522.00
7391934	05149	SIERRA DOOR SYSTEMS	NSC-DOOR REPAIRS	565.00	101 4635402	565.00
7391935	1894	SIGNS & DESIGNS	BM-NAMEPLATES(2) LA/AN-NAMEPLATES(2)	30.81 35.76 <u>66.57</u>	101 4782253 306 4542259	30.81 35.76 <u>66.57</u>
7391936	04664	SKAUG TRUCK BODY WORKS	LIFT ARM PINS(3)-EQ3831	45.13	203 4752207	45.13
7391937	01816	SMITH PIPE & SUPPLY INC	AHP-PLIERS/WIRE STRIPPR/EZ OUT NSC-ROTORS(24) LMS-FERTILIZER(11 BAGS) OMP-VALVE/CONNECTORS PBP-POP UPS/NOZZLES/DUCT TAPE OMP-VALVE/KEYS/POP UPS OMP-CEMENT/VALVE/SOLEND ASSY LUC-VALVE/PVC/QUICK FIX	107.57 611.01 266.42 61.82 109.55 132.77 302.56 224.55 <u>1,816.25</u>	101 4631403 101 4635404 101 4632404 101 4634404 101 4631404 101 4634404 101 4634404 101 4633404	107.57 611.01 266.42 61.82 109.55 132.77 302.56 224.55 <u>1,816.25</u>
7391938	04688	SPARKLETTS	WATER(15-24 PKS)	144.69	101 4100205	144.69
7391939	02901	STAPLES ADVANTAGE	CHAIRS(3)	328.47	480 4755291	328.47
7391940	D2143	STREAMLINE AUDIO VISUAL, INC	BLVD SOUND SYSTEM UPGRADES 40 ANNV GALA-LGHTNG EQPMTN RNT	2,659.06 930.00 <u>3,589.06</u>	101 4200350 101 4305205	2,659.06 930.00 <u>3,589.06</u>
7391941	C8057	SUNBELT RENTALS	LMS-SD CTTR/TRLR RNTL-11/14/17	245.39	101 4632602	245.39
7391942	08005	T B X EMPLOYEE BENEFITS LLC	10/17-TELEMED 11/17-TELEMED	896.00 896.00 <u>1,792.00</u>	101 2170216 101 2170216	896.00 896.00 <u>1,792.00</u>
7391943	2009	THE TIRE STORE	TIRE-EQ1516	196.02	101 4810207	196.02
7391944	C5522	THOMSON REUTERS-WEST PMT CEN1 LIBRARY PLAN-10/05-11/04/17		22.94	101 4400301	22.94
7391945	D4104	TROUTMAN SANDERS LLP	10/17-LCE/CCEA-LEGAL SERVICES	14,881.00 <u>14,881.00</u>	490 4370303 491 4370303	391.00 14,490.00 <u>14,881.00</u>
7391946	A7515	U S BANK	09/17-ADMIN FEE	200.41	101 4310301	200.41
7391947	C4011	UNITED RENTALS	CHARGER/POWER CORD-EQ5503	609.03	101 4633207	609.03
7391948	05551	UNITED SITE SRVCS OF CA,SO DIV	FENCE RENTAL-11/03-30/17 FENCE RENTAL-11/09-12/06/17	61.32 19.72 <u>81.04</u>	101 4633404 101 4633404	61.32 19.72 <u>81.04</u>

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7391949	31009	UNIVERSAL ELECTRONIC ALARMS	CH-09/17-SECURITY ALARM	27.00	101 4633301	27.00
			NSC-10/17-SECURITY ALARM	27.00	101 4635301	27.00
			OMP-10/17-SECURITY ALARM	27.00	101 4634301	27.00
				<u>81.00</u>		<u>81.00</u>
7391950	07598	VANTIV INTEGRATED PAYMENTS INC	11/17-MONTHLY FEES/PASS	104.10	402 4650302	104.10
7391951	05834	VENCO WESTERN, INC	11/17-LMD MAINTENANCE	37,320.00	101 4631402	18,750.00
					101 4634402	9,570.00
					101 4635402	9,000.00
				<u>37,320.00</u>		<u>37,320.00</u>
7391952	D3370	VERIZON WIRELESS	10/17-IPAD SERVICE	2,945.00	101 4315651	2,945.00
7391953	06384	VOYAGER FLEET SYSTEMS INC	VOYAGER FLEET SYSTEMS 11/24/17	995.10	101 2602000	995.10
7391954	04496	VULCAN MATERIAL WESTERN DIV	ASPHALT	209.67	203 4752410	209.67
			COLD MIX	204.87	203 4752410	204.87
			COLD MIX	334.52	203 4752410	334.52
				<u>749.06</u>		<u>749.06</u>
7391955	05087	WALSMA OIL COMPANY	NSC-OIL	202.58	101 4635404	202.58
7391956	05806	WEST COAST SAFETY SUPPLY CO	PLUG BURST KITS(10)	211.06	480 4755295	211.06
7391957	03636	ZONES	PROJECTOR	873.26	109 4315291	873.26
7391958	1214	L A CO SHERIFF'S DEPT	10/17 LAW ENFORCEMENT SVCS	2,103,511.65	101 4820354	1,917,489.93
					101 4820357	186,021.72
				<u>2,103,511.65</u>		<u>2,103,511.65</u>
7391959	07101	CALPINE ENERGY SOLUTIONS LLC	09/17-LCE-BACK OFFICE SERVICES	90,583.75	491 4370002D	20,763.75
					491 4370003D	69,820.00
			10/17-LCE-BACK OFFICE SERVICES	90,552.50	491 4370002D	20,548.75
					491 4370003D	70,003.75
				<u>181,136.25</u>		<u>181,136.25</u>
7391960	1916	STRADLING, YOCCA, CARLSON, RAUTH	09/17-LEGAL SERVICES	8,108.00	101 4400303	8,108.00
			09/17-LEGAL SERVICES	62,107.99	101 4400303	252.90
					101 4400303	512.70
					101 4400303	674.40
					101 4400303	808.00
					101 4400303	2,173.00
					101 4400303	2,444.70
					101 4400303	4,995.30
					101 4400303	7,628.90
					101 4400303	19,180.40
					101 4400303	20,089.93
					209 15ST026924	243.70

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					490 4370303	112.40
					491 4370303	1,039.70
					811 4100303	21.40
					830 4300303	21.00
					830 4300303	1,909.56
				70,215.99		70,215.99
7391961	A7962	A V CHILDREN'S CHOIR	PERF-AV CHLDRNS CHOIR-12/15/17	1,000.00	402 4650318	1,000.00
7391962	00107	A V PRESS	PAC-11/17 ADVERTISING	1,273.89	402 4650205	1,273.89
7391963	00107	A V PRESS	11/17-ADVERTISING	1,967.19	101 4680225	500.00
					101 4681222	1,467.19
				1,967.19		1,967.19
7391964	00107	A V PRESS	11/17-SAFETY ADVERTISEMENTS	830.00	101 4200350	830.00
7391965	00107	A V PRESS	11/17-ON THE NET ADS	90.00	101 4305205	90.00
7391966	A1310	A V UNION HIGH SCHOOL DISTRICT	MGC-QHHS CHAMBR SINGRS-12/9/17	300.00	101 4684222M	300.00
7391967	A1310	A V UNION HIGH SCHOOL DISTRICT	MGC-QHHS A CAPELLA-12/9/17	300.00	101 4684222M	300.00
7391968	D3475	BARBER, TREVIN	TB-PR DM-SAC-12/06-08/17	160.00	101 4200201	160.00
7391969	08535	BENITEZ, ROBERT	RB-REIMB-COOKIES/BEVERAGES	496.99	101 4644251	165.82
					101 4684222M	331.17
				496.99		496.99
7391970	08297	CITIBANK	THE TRAVEL STORE-TRAVEL EXP	149.35	101 4540201	149.35
7391971	08551	EMPLOYMENT DEVELOPMENT DEPT	EARNINGS WITHHOLDING ORDER	402.87	101 2159000	402.87
7391972	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	69.62	101 2159000	69.62
7391973	02108	FRANCHISE TAX BOARD	LEVY PROCEEDS	28.52	101 2159000	28.52
7391974	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	150.00	101 2159000	150.00
7391975	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	240.00	101 2159000	240.00
7391976	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	473.14	101 2159000	473.14
7391977	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	567.33	101 2159000	567.33
7391978	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	100.00	101 2159000	100.00
7391979	07369	FRONTIER COMMUNICATIONS CORP	11/25-12/24/17 TELEPHONE SVC	573.10	101 4633651	573.10
7391980	C2235	GIBSON, WALKER	PERF-WALKER GIBSON-12/15/17	300.00	106 4701301	300.00

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7391981	08560	HENDERSON, CAROLYN R	RFND-PARKING CIT-#31021459	73.00	101 3310200	73.00
7391982	05422	L A CO SHERIFF'S DEPT	CASE #M-1502-CL-20260	101.40	101 2159000	101.40
7391983	D3448	L A CO SHERIFF'S DEPT	FILE #3631104150058	125.00	101 2159000	125.00
7391984	08594	LANCASTER COMM SRVS FOUNDATIO	BL RETIREMENT ATTENDEES(4)	160.00	101 4100202	160.00
7391985	08561	PAIN FREE SOCIETY	RFND-CUP APPLICATION FEE	11,675.00	101 3201420	11,675.00
7391986	C1104	PAT BOONE ENTERPRISES INC	BAL-PAT BOONE CHRSTMS-12/15/17	8,000.00	402 4650318	8,000.00
7391987	07951	PEREA, MAYRA	MP-MILG-LAS VEGAS-10/24-27/17	64.63	101 4320256	64.63
7391988	1705	QUARTZ HILL WATER DISTRICT	11/01/17-12/01/17 WATER SVC	4,772.47	101 4634654 203 4636654 482 4636654	1,553.51 748.28 2,470.68
				<u>4,772.47</u>		<u>4,772.47</u>
7391989	03154	SO CA EDISON	10/31/17-12/07/17 ELECTRIC SVC	4,354.56	101 4633652 203 4636652 363 4542770 363 4542771 482 4636652 483 4752652 483 4785652 483 4785660	3,586.49 2.31 5.15 7.79 207.44 55.43 230.84 259.11
				<u>4,354.56</u>		<u>4,354.56</u>
7391990	03154	SO CA EDISON	11/01/17-12/01/17 ELECTRIC SVC	221.79	483 4755660	221.79
7391991	03154	SO CA EDISON	11/01/17-12/04/17 ELECTRIC SVC	1,817.76	483 4785652	1,817.76
7391992	03154	SO CA EDISON	11/01/17-12/04/17 ELECTRIC SVC	77,289.71	101 4631652 101 4633652 101 4634652 101 4635652 101 4810403 483 4785660	34,926.66 10,702.37 5,249.82 25,473.31 138.00 799.55
				<u>77,289.71</u>		<u>77,289.71</u>
7391993	03154	SO CA EDISON	11/01/17-12/04/17 ELECTRIC SVC	2,222.79	203 4636652 482 4636652	567.10 1,655.69
				<u>2,222.79</u>		<u>2,222.79</u>
7391994	1907	SO CA GAS COMPANY	10/20/17-11/30/17 GAS SVC	31.56	101 4631655 101 4633655	15.29 16.27
				<u>31.56</u>		<u>31.56</u>

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7391995	C2554	SUPERIOR COURT OF CA-CO OF L A	11/17-ALLCTN OF PRKG PENALTIES	24,508.40	101 3310200	89.40
					101 3310200	2,508.00
					101 3310200	2,508.00
					101 3310200	2,508.00
					101 3310200	3,344.00
					101 3310200	3,522.00
					101 3310200	5,013.00
					101 3310200	5,016.00
				<u>24,508.40</u>		<u>24,508.40</u>
7391996	A7308	THREE ROSES CATERING	ADMIN HOLIDAY PARTY CATERING	700.00	101 4200251	700.00
7391997	C2555	TIME WARNER CABLE	04/26-05/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7391998	C2555	TIME WARNER CABLE	06/26-07/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7391999	C2555	TIME WARNER CABLE	07/26-08/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7392000	C2555	TIME WARNER CABLE	08/26-09/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7392001	C2555	TIME WARNER CABLE	09/26-10/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7392002	C2555	TIME WARNER CABLE	10/26-11/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7392003	C2555	TIME WARNER CABLE	11/26-12/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7392004	C2555	TIME WARNER CABLE	04/26-05/25/17 WIRELESS ROUTER	4.95	402 4650251	4.95
7392005	C2555	TIME WARNER CABLE	03/26-04/25/17 WIRELESS ROUTER	4.21	402 4650251	4.21
7392006	C8046	U S DEPT OF EDUCATION	TAX WITHHOLDING ORDER	94.98	101 2159000	94.98
7392007	08290	4WALL ENTERTAINMENT INC	PAC-GELS(32)	331.76	402 4650602	331.76
			PAC-GAFFER TAPE(48 ROLLS)	989.08	402 4650251	989.08
			PAC-LAMPS/GAFFER/SPIKE TAPE	670.52	402 4650602	670.52
				<u>1,991.36</u>		<u>1,991.36</u>
7392008	02071	A G SOD FARMS INC	LMS-SOD	598.62	101 4632404	598.62
7392009	C7397	A R B/P E R P	PERMIT RENEWAL FEES(5)	2,443.75	484 4752311	1,955.00
					484 4755311	488.75
				<u>2,443.75</u>		<u>2,443.75</u>
7392010	02605	A V COLLISION REPAIRS, INC	REPAIRS/LAMPS/FENDER-EQ6812	751.28	306 4542207	751.28
7392011	00116	A V ENGINEERING	HOMELESS SHELTER DEVELOPMNTS	8,605.00	306 4542301	8,605.00
			HOMELESS SHELTER DEVELOPMNTS	7,675.00	306 4542301	7,675.00
				<u>16,280.00</u>		<u>16,280.00</u>

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7392012	A5389	A V FAIR	REIMB-4TH OF JUL-FIRE MARSHALL	2,350.92	101 4687222	2,350.92
7392013	01039	A V FORD LINCOLN MERCURY	DOOR ASSYS(2)-EQ3824	157.18	203 4752207	157.18
7392014	03854	A V JANITORIAL SUPPLY	T PPR/TWLS/CN LNR/DSNFCTNT	1,708.89	101 4633406	1,708.89
7392015	02357	A V TRANSIT AUTHORITY	NOV 17-ANNUAL SENIOR PASSES	4,000.00	204 4330770	2,000.00
					207 4330301	2,000.00
				<u>4,000.00</u>		<u>4,000.00</u>
7392017	C6143	AMERICAN BUSINESS MACHINES	INK CARTRIDGE	321.93	101 4310254	321.93
			INK CARTRIDGE	232.58	101 4310259	232.58
			IMAGE RUNNER ADV COPIER	18.90	101 4310254	18.90
			IMAGE RUNNER ADV COPIER	23.76	101 4310254	23.76
				<u>597.17</u>		<u>597.17</u>
7392018	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS	83.30	101 4753209	83.30
7392019	01933	AMERON	TRAFFIC SIGNAL REPLACEMENT	4,120.73	483 4785460	4,120.73
7392020	02693	ANDY GUMP, INC	RDP-FENCE RENTAL-12/01-28/17	33.51	101 4634602	33.51
7392021	05179	ARAMARK UNIFORM SVCS	UNIFORM CLEANINGS	118.53	480 4755209	118.53
7392022	04446	AUTO PROS	SMOG INSPECTION-EQ1744	45.00	101 4780207	45.00
			SMOG INSPECTION-EQ4361	45.00	203 4785207	45.00
			SMOG INSPECTION-EQ7700	45.00	101 4620207	45.00
				<u>135.00</u>		<u>135.00</u>
7392023	08094	BURRELLESLUCE	11/17-MONTHLY MEDIA CHARGES	353.40	101 4305301	353.40
7392024	05129	C P S CARE PEST SOLUTIONS	LMS-11/17 PEST CONTROL	125.00	101 4632301	125.00
7392025	08940	CARQUEST	BRAKE PAD-EQ3818	33.44	203 4752207	33.44
			BRAKE CALIPER-EQ3818	116.94	203 4752207	116.94
			BRAKE PAD-EQ5787	39.14	101 4631207	39.14
				<u>189.52</u>		<u>189.52</u>
7392026	05938	CENTERSTAGING LLC	PAC-NSTRMNT RNTLS-CHBBY CHCKR	2,524.00	402 4650602	2,524.00
			PAC-NSTRMNT RNTLS-SPACE ODDITY	1,307.00	402 4650602	1,307.00
				<u>3,831.00</u>		<u>3,831.00</u>
7392027	03475	CLARK AND HOWARD	TOWING FEES-EQ6815	50.00	101 4631207	50.00
7392028	05128	CLEANSTREET	11/17 MONTHLY STREET SWEEP	40,193.84	203 4751450	39,193.84
					484 4751450	1,000.00
				<u>40,193.84</u>		<u>40,193.84</u>
7392029	08484	CONSOLIDATED ELECTRCL DIST INC	PAC-SAFETY SWITCH	352.18	402 4650402	352.18



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			EDP-LAMPS/BALLASTS/LAMP HOLDRS	636.23	101 4631403	636.23
			PBP-BALLASTS/LAMPS	430.49	101 4631403	430.49
			WIRING SELF TESTS(10)	262.96	101 4633403	262.96
			STRAPS(4)	46.58	101 4633403	46.58
			PAC-SAFETY SWITCH	509.84	402 4650402	509.84
			LBP-FUSIBLE DISC	17.26	101 4636402	17.26
			OUTLET SUPPORTS(6)	179.47	101 4633404	179.47
			WIRING TESTS/CABLE TIES/TORQUE	506.23	101 4633404	506.23
				<u>2,941.24</u>		<u>2,941.24</u>
7392030	08018	DANIELIAN ASSOCIATES INC	08/17-SIERRA HWY DESIGN SVCS	12,150.00	361 4541900	12,150.00
			09/17-AVE I DESIGN SVCS	2,866.01	361 4541900	2,866.01
			09/17-AVE I DESIGN SVCS	3,651.90	361 4541900	3,651.90
			09/17-SIERRA HWY DESIGN SVCS	1,350.00	361 4541900	1,350.00
				<u>20,017.91</u>		<u>20,017.91</u>
7392031	07131	DE LAGE LANDEN FINANCIAL SVCS	11/15-12/14/17 NETWORK PRINTER	168.95	101 4810254	168.95
7392032	D4053	DEPT OF PUBLIC HEALTH	NSC-BACKFLOW FEES-AR0263620	64.00	101 4635311	64.00
			NSC-BACKFLOW FEES-AR0263621	160.00	101 4635311	160.00
			RDP-BACKFLOW FEES-AR0263623	32.00	101 4634311	32.00
			OMP-BACKFLOW FEES-AR0263624	32.00	101 4634311	32.00
			EDP-BACKFLOW FEES-AR0263625	32.00	101 4631311	32.00
			LMS-BACKFLOW FEES-AR0263626	32.00	101 4632311	32.00
			MP-BACKFLOW FEES-AR0263630	64.00	101 4631311	64.00
			EDP-BACKFLOW FEES-AR0263632	64.00	101 4631311	64.00
			TBP-BACKFLOW FEES-AR0274648	32.00	101 4631311	32.00
				<u>512.00</u>		<u>512.00</u>
7392033	A0925	DESERT HAVEN ENTERPRISES	3110 W AVE N-BOARD UP	280.00	101 4545940	280.00
			3125 W AVE N-SECURE DOORS	775.00	101 4545940	775.00
			3126 W AVE N-SECURE DOORS	1,105.00	101 4545940	1,105.00
				<u>2,160.00</u>		<u>2,160.00</u>
7392034	01047	DESERT INDUSTRIAL SUPPLY	NSC-AIR CONTROL METERS(2)	722.26	101 4635403	722.26
			OMP-CONNECTORS/SEALANT	50.60	101 4634403	50.60
				<u>772.86</u>		<u>772.86</u>
7392035	00414	DESERT LOCK COMPANY	EDP-LOCK REPAIRS	95.00	101 4631402	95.00
			PBP-BOLT/LOCK REPAIRS	114.42	101 4631402	114.42
			PBP-LOCK REPAIRS	73.62	101 4631402	73.62
				<u>283.04</u>		<u>283.04</u>
7392036	03072	DONNELL PRINTING	BUSINESS CARDS(2000)	744.60	101 4110259	93.08
					101 4640251	186.14
					101 4761253	186.16
					101 4785259	93.08
					251 4783259	186.14
				<u>744.60</u>		<u>744.60</u>

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7392037	06129	EAGLE ROCK BREWERY LLC	FOD-KEGS(6)	433.00	101 4681222	433.00
7392038	D2844	FASHIONATE RHYTHM DANCE CO	MGC-PERFORMERS-12/09/17	5,475.00	101 4684222M	5,475.00
7392039	D3240	FASTENAL COMPANY	WASHERS(25)	31.32	483 4755665	31.32
7392040	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	23.24	306 4542212	23.24
7392041	07124	FIRST AMERICAN DATA TREE, LLC	11/17-PROFESSIONAL SERVICES	500.00	101 4400301	500.00
7392042	02029	FLINT TRADING, INC	PROPANE TORCH/PAVEMENT MARKING	1,717.12	203 4785454	1,717.12
7392043	07970	FORENSISGROUP INC	CLAIM #062-15/CLGL-0002A2/4A2	8,338.37	109 4330300	8,338.37
7392044	04203	FRANK'S RADIO SERVICE	JAN-MAR 18-QRTRLY REPEATER	1,500.00	101 4200350	1,500.00
7392045	D1248	GOLDSTINE, JARED	RFND-PY CREDIT ON ACCOUNT	35.00	101 2182001	35.00
7392046	08563	GOMEZ, ROSA	RFND-PY CREDIT ON ACCOUNT	6.00	101 2182001	6.00
7392047	08576	GONZALEZ, ELIZABETH	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7392048	08564	GOOD, VERONICA	RFND-PY CREDIT ON ACCOUNT	20.00	101 2182001	20.00
7392049	08565	GORDI, TOORAJ	RFND-PY CREDIT ON ACCOUNT	3.00	101 2182001	3.00
7392050	03430	GRAINGER	EAR PLUGS BATTERY CHARGER	33.07 307.09	101 4753209 101 4753405	33.07 307.09
				<u>340.16</u>		<u>340.16</u>
7392051	08566	GRANADOS, JOHANNA	RFND-PY CREDIT ON ACCOUNT	10.00	101 2182001	10.00
7392052	08567	GREER, DANA	RFND-PY CREDIT ON ACCOUNT	34.00	101 2182001	34.00
7392053	08440	GROVER, DELIA	RFND-RNTL DEP-AHP-12/02/17	250.00	101 2182001	250.00
7392054	08568	GRZELAK, THADDEUS	RFND-PY CREDIT ON ACCOUNT	35.00	101 2182001	35.00
7392055	08569	GUZMAN, NAOMI	RFND-PY CREDIT ON ACCOUNT	10.00	101 2182001	10.00
7392056	00822	H W HUNTER, INC	GASKET/BOLTS/STUDS-EQ3306 CANISTER-EQ5709	52.12 168.19	484 4752207 101 4635207	52.12 168.19
				<u>220.31</u>		<u>220.31</u>
7392057	00849	HAAKER EQUIPMENT CO	NZZLS/FLNDRS/CNNCTR/SWVL TORQUE KIT	6,008.22 2,354.25	484 4755409 480 4755208	6,008.22 2,354.25
				<u>8,362.47</u>		<u>8,362.47</u>
7392058	08570	HECKENLIABLE, MICHELE	RFND-PY CREDIT ON ACCOUNT	19.03	101 2182001	19.03

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7392059	08571	HEGDEM, BARBARA	RFND-PY CREDIT ON ACCOUNT	10.00	101 2182001	10.00
7392060	A7106	HERNANDEZ, MARY	RFND-PY CREDIT ON ACCOUNT	12.00	101 2182001	12.00
7392061	08593	HO, FRANK	RFND-PY CREDIT ON ACCOUNT	250.00	101 2182001	250.00
7392062	08572	IBARRA, JENNIFER	RFND-PY CREDIT ON ACCOUNT	37.00	101 2182001	37.00
7392063	08247	ICM PARTNERS	DEP-JANE LYNCH-01/13/18	12,500.00	402 4650318	12,500.00
7392064	08053	IRWIN ARCHITECTURAL GROUP INC	08/17-PROFESSIONAL SERVICES	8,551.50	361 4541900	8,551.50
			09/17-PROFESSIONAL SERVICES	4,296.66	361 4541900	4,296.66
				<u>12,848.16</u>		<u>12,848.16</u>
7392065	D4004	J P POOLS	CHEMICAL BARRELS(6)	300.00	101 4631670	300.00
			EPL-RELAY WIRING REPAIRS	350.00	101 4631670	350.00
			EPL-CONSULTING/SERVICE	800.00	101 4631301	800.00
			WPL-CONSULTING/SERVICE	700.00	101 4631301	700.00
				<u>2,150.00</u>		<u>2,150.00</u>
7392066	08573	JEFFERSON, KEITH	RFND-PY CREDIT ON ACCOUNT	25.00	101 2182001	25.00
7392067	08574	JIMENEZ, DIANE	RFND-PY CREDIT ON ACCOUNT	40.00	101 2182001	40.00
7392068	C1853	JIMENEZ, ELIZABETH	RFND-PY CREDIT ON ACCOUNT	30.00	101 2182001	30.00
7392069	A5226	JOHNSON, VALERIE	RFND-PY CREDIT ON ACCOUNT	18.00	101 2182001	18.00
			RFND-PY CREDIT ON ACCOUNT	10.00	101 2182001	10.00
				<u>28.00</u>		<u>28.00</u>
7392070	01419	JOHNSTONE SUPPLY	FILTERS(300)	1,984.14	483 4785461	1,984.14
			FILTERS(300)	1,793.61	483 4785461	1,793.61
			FILTERS(108)	714.29	483 4785461	714.29
			FURNACE CONTROL BOARD	145.02	101 4636402	145.02
			FILTERS(100)	423.15	101 4633403	423.15
			FILTERS(8)	31.69	101 4636402	31.69
				<u>5,091.90</u>		<u>5,091.90</u>
7392071	08575	JULIAN, TERRY	RFND-PY CREDIT ON ACCOUNT	27.00	101 2182001	27.00
7392072	08058	KAIZEN INFOSOURCE LLC	11/17-CONSULTING SERVICES	2,775.00	109 4110301	2,775.00
7392073	08581	KEE, ANTRIN	RFND-PY CREDIT ON ACCOUNT	50.00	101 2182001	50.00
7392074	08016	KILL-A-WATT ELECTRICAL	45TH ST W/AVE M8-LGHT RPLCMNTS	825.00	482 4636462	825.00
7392075	06059	KRAZAN & ASSOCIATES, INC	CP16002-BLVD/30-40 E-PROF SVCS	2,642.50	210 12ST033924	2,642.50
			CP16002-BLVD/30-40 E-PROF SVCS	6,420.00	210 12ST033924	6,420.00
				<u>9,062.50</u>		<u>9,062.50</u>

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7392076	08577	LANDEROS, GLORIA	RFND-PY CREDIT ON ACCOUNT	5.00	101 2182001	5.00
			RFND-PY CREDIT ON ACCOUNT	5.00	101 2182001	5.00
				<u>10.00</u>		<u>10.00</u>
7392077	08578	LANDRY, NICOLE	RFND-PY CREDIT ON ACCOUNT	24.00	101 2182001	24.00
7392078	08579	LAPAGLIA, KATRINA	RFND-PY CREDIT ON ACCOUNT	5.00	101 2182001	5.00
7392079	08582	LAUDERDALE, KHALILAH	RFND-PY CREDIT ON ACCOUNT	68.00	101 2182001	68.00
7392080	D3426	LAW OFFICES CHRISTOPHER RAMSEY	CLAIM #017-16/CLGL-1377A1	5,130.00	109 4330300	5,130.00
			CLAIM #058-15/A/CLGL-005A1/6A2	1,987.64	109 4330300	1,987.64
				<u>7,117.64</u>		<u>7,117.64</u>
7392081	08583	LESSLEY, BETH	RFND-PY CREDIT ON ACCOUNT	25.00	101 2182001	25.00
			RFND-PY CREDIT ON ACCOUNT	25.00	101 2182001	25.00
				<u>50.00</u>		<u>50.00</u>
7392082	08584	LOVE, VIRGINIA	RFND-PY CREDIT ON ACCOUNT	7.00	101 2182001	7.00
7392083	08585	LUKASZONAS, CANDICE	RFND-PY CREDIT ON ACCOUNT	65.00	101 2182001	65.00
7392084	08586	LYDUM, MARY	RFND-PY CREDIT ON ACCOUNT	46.00	101 2182001	46.00
7392085	08587	MARTINEZ, SYLVIA	RFND-PY CREDIT ON ACCOUNT	60.00	101 2182001	60.00
7392086	C1198	MC PHERSON CONSULTING	PDW-TROUBLESHOOT CAMERAS	112.50	101 4634402	112.50
7392087	08588	MCALISTER, STEPHANIE	RFND-PY CREDIT ON ACCOUNT	55.00	101 2182001	55.00
7392088	08589	MCCARDOE, SEANEEN	RFND-PY CREDIT ON ACCOUNT	10.00	101 2182001	10.00
7392089	01450	MCCAIN INC	SIGNS/FRAMES/CAPS/SWITCHES	1,980.62	483 4785461	1,980.62
7392090	08590	MERCER, JENNIFER	RFND-PY CREDIT ON ACCOUNT	40.00	101 2182001	40.00
7392091	01386	MERRIMAC ENERGY GROUP	FUEL(4992 GALS)	12,127.61	101 1620000	12,127.61
			DIESEL(2501 GALS)	7,481.99	101 1620000	7,481.99
				<u>19,609.60</u>		<u>19,609.60</u>
7392092	D3578	MINUTEMAN PRESS	LCE-00N1 WEEK 110 NOTICES	207.18	490 4370213	207.18
			LCE-00N2 WEEK 110 NOTICES	166.44	490 4370213	166.44
			LCE-00N1 WEEK 111 NOTICES	216.13	490 4370213	216.13
			LCE-00N2 WEEK 111 NOTICES	180.37	490 4370213	180.37
			LCE-CONF OPT OUT MAILERS(2)	1.80	490 4370213	1.80
			LCE-00N1 WEEK 112 NOTICES	221.35	490 4370213	221.35
			LCE-00N2 WEEK 112 NOTICES	151.64	490 4370213	151.64
			LCE-LETTERHEAD(5000)	382.63	490 4370213	382.63
				<u>1,527.54</u>		<u>1,527.54</u>

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7392093	08591	MOONEY, TARA	RFND-PY CREDIT ON ACCOUNT	34.00	101 2182001	34.00
7392094	08592	MOORE, MATICE	RFND-PY CREDIT ON ACCOUNT	9.00	101 2182001	9.00
7392095	07464	MORGAN SOLAR USA INC	11/17-NSC-SOLAR POWER	1,152.47	101 4635652	1,152.47
7392096	31007	MOTION INDUSTRIES, INC	BALL BEARING UNITS(2) PRESSURE WASHER ASSYS(2)	401.26 149.45 <u>550.71</u>	101 4633403 101 4753402	401.26 149.45 <u>550.71</u>
7392097	D1167	MUNICIPAL CODE CORPORATION	CODE OF ORDINANCES-SUPPLEMENTS	789.96	101 4110360	789.96
7392098	D1878	MURPHY & EVERTZ,ATTYS AT LAW	11/17-LEGAL SRVCS-GENERAL	170.00	101 4400303	170.00
7392099	08562	NAPA AUTO PARTS	WINDSHIELD CLEANER	56.37	101 4753214	56.37
7392100	A4726	NELSON, WENDY	RFND-PY CREDIT ON ACCOUNT	34.00	101 2182001	34.00
7392101	D3758	NEWMAN, VICKI	RFND-PY CREDIT ON ACCOUNT	65.00	101 2182001	65.00
7392102	04558	NIELSEN'S FIRE PROTECTION	OMP-FIRE SPRINKLER TEST/CERT RDP-FIRE SPRINKLER TEST/CERT	700.00 999.00 <u>1,699.00</u>	101 4634402 101 4634402	700.00 999.00 <u>1,699.00</u>
7392103	06704	NIGHT OWLS	AUG 17-WELLNESS WEBSITE SUPPRT SEP 17-WELLNESS WEBSITE SUPPRT OCT 17-WELLNESS WEBSITE SUPPRT NOV 17-WELLNESS WEBSITE SUPPRT DEC 17-WELLNESS WEBSITE SUPPRT	350.00 350.00 350.00 350.00 350.00 <u>1,750.00</u>	106 4330201 106 4330201 106 4330201 106 4330201 106 4330201	350.00 350.00 350.00 350.00 350.00 <u>1,750.00</u>
7392104	D2634	O'REAR, JEFFREY R	11/17-PRODUCTION SERVICES	400.00	101 4680225	400.00
7392105	06984	PACIFIC DESIGN & INTEGRATION	11/17-BROADCAST MANAGER SVCS	2,781.00	101 4305302	2,781.00
7392106	06681	PACIFIC ENERGY ADVISORS, INC	11/17-LCE CONSULTING SERVICES 11/17-CCEA CONSULTING SERVICES  11/17-CCEA CONSULTING SERVICES 11/17-CCEA CONSULTING SERVICES	19,000.00 19,960.11  10,000.00 10,539.53 <u>59,499.64</u>	491 4370003P 491 4370201  491 4370002P 491 4370005T 491 4370006T	19,000.00 960.11 19,000.00 10,000.00 10,539.53 <u>59,499.64</u>
7392107	C3613	PACIFIC ENVIRONMENTAL	44611 YUCCA-ASBESTOS STUDY	1,600.00	306 4542301	1,600.00
7392108	07249	PATRIOT PLUMBING	PAC-WATER HEATER SERVICE	447.00	402 4650402	447.00
7392109	06087	PRIORITY AUTO GLASS	DOOR GLASS-EQ5825	152.31	101 4634207	152.31
7392110	04361	PROTECTION ONE	LMS-12/17 ALARM MONITORING	46.75	101 4632301	46.75

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			LMS-12/17 ELEVATOR MONITORING	33.77	101 4632301	33.77
				80.52		80.52
7392111	07363	Q C LOCKSMITH	350 E NUGENT-DEADBOLT KEY	85.00	306 4542682	85.00
7392112	06313	R C BECKER & SON, INC	CP16002-BLVD/30-40 E-3/FINAL	43,414.97	210 12ST033924	43,414.97
			CP16002-BLVD/30-40 E-RETENTION	29,083.25	209 12ST033924	15,040.52
					210 12ST033924	14,042.73
				72,498.22		72,498.22
7392113	08119	R N S COMMUNICATIONS INC	USED OIL RECYCLING AD	650.00	330 4755775	650.00
7392114	07507	RESOURCE BUILDING MATERIALS	CONCRETE/CHARGE PALLET	976.20	203 4752410	976.20
7392115	05943	ROBERTSON'S	CONCRETE	163.72	203 4752410	163.72
7392116	03378	ROTTMAN DRILLING CO	NSC-11/17-PUMP MAINTENANCE	450.00	101 4635301	450.00
7392117	D3947	S G A CLEANING SERVICES	STP-GRAFFITI REMOVAL	485.00	101 4631402	485.00
			PDW-CLEAN WALLS/FLOORS	645.00	101 4634402	645.00
			JRP-CARPET/FLOOR CLEANING	445.00	101 4631402	445.00
				1,575.00		1,575.00
7392118	A8260	SAGE STAFFING	MB-FINANCE STAFF-11/20-22/17	627.75	101 4310308	627.75
			GK-PUBLIC SFTY STFF-11/20-22/17	223.80	101 4820301	223.80
			SS-PUBLIC SFTY STFF-11/20-21/17	195.83	101 4820301	195.83
				1,047.38		1,047.38
7392119	08126	SECURITY DEFENDERS	PARK & RIDE-SEC SVC-11/17	3,588.00	207 4752301	3,588.00
7392120	1894	SIGNS & DESIGNS	CHAMBER DAIS SIGNS(3)	39.15	101 4100259	39.15
			AC-NAMEPLATE	17.84	101 4540259	17.84
			CHAMBER DAIS SIGNS(11)	143.55	101 4100259	143.55
			PAC-BACKLIT SIGNS(3)	213.04	402 4650402	213.04
			PAC-BACKLIT SIGNS(2)	142.03	402 4650402	142.03
			JC-FACEPLATE	13.14	101 4620259	13.14
				568.75		568.75
7392121	01816	SMITH PIPE & SUPPLY INC	TBP-ROTORS/VALVES/NOZZLES	854.48	101 4631404	854.48
			NSC-VALVES/ADAPTERS	351.74	101 4635404	351.74
			OMP-ROTORS(13)	350.89	101 4634404	350.89
			NSC-ROTORS/BLEED SCREWS	635.57	101 4635404	635.57
				2,192.68		2,192.68
7392122	05413	STATEWIDE TRAFFIC SAFETY/SIGNS	CNTRLLR KIT/POLE PKG/SLR PNL	4,565.59	483 4785460	4,565.59
7392123	D2143	STREAMLINE AUDIO VISUAL, INC	TELEPROMPTER	1,100.00	101 4305205	1,100.00
7392124	1531	SUBURBAN PROPANE	TBP-PROPANE TANK LEASE	40.00	101 4631403	40.00

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7392125	05703	SUPERIOR ALARM SYSTEMS	12/17-MONTHLY MONITORING	45.00	101 4633301	45.00
7392126	08087	THE BAYSHORE CONSULTING GROUP	CCEA-SANTA MONICA STUDY CCEA-PALMDALE IMLEMNTATN PLAN CCEA-11/17-CONSULTING SVCS	2,500.00 2,500.00 2,500.00 <u>7,500.00</u>	491 4370006T 491 4370005T 491 4370002P	2,500.00 2,500.00 2,500.00 <u>7,500.00</u>
7392127	2009	THE TIRE STORE	TIRE-EQ3838 TIRES(4)-EQ5601	189.96 457.61 <u>647.57</u>	203 4752207 101 4662207	189.96 457.61 <u>647.57</u>
7392128	08201	TIGERSWAN LLC	CRIME FIGHTING ANALYTICS CRIME FIGHTING ANALYTICS	5,677.23 1,731.25 <u>7,408.48</u>	101 4820301 101 4820301	5,677.23 1,731.25 <u>7,408.48</u>
7392129	04239	TIM WELLS MOBILE TIRE SERVICE	SVC CALL/REPAIR-EQ3415 SVC CALL/REPAIRS(2)-EQ5761 REPAIR-EQ3779	95.00 100.00 30.00 <u>225.00</u>	203 4752207 101 4634207 480 4755207	95.00 100.00 30.00 <u>225.00</u>
7392130	2003	TIP TOP ARBORISTS, INC	11/17-TREE TRIMMING/REMOVAL 11/17-TREE TRIMMING/REMOVAL 11/17-TREE TRIMMING/REMOVAL 11/17-TREE TRIMMING/REMOVAL	1,752.00 3,318.00 2,343.50 7,865.50 <u>15,279.00</u>	483 4636267 101 4634267 101 4631267 203 4636267	1,752.00 3,318.00 2,343.50 7,865.50 <u>15,279.00</u>
7392131	D1594	TOUCHPOINT ENERGIZED COMM	12/17-E NEWSLETTER SVC	375.00	101 4305302	375.00
7392132	06122	TRINITY INNOVATIONS	GIANT ORNAMENTS(2)	1,090.00	101 4680225	1,090.00
7392133	08319	TRIPEPI SMITH & ASSOCIATES INC	CCEA-11/17-MARKETING/SALES	6,350.00	491 4370205	6,350.00
7392134	A7515	U S BANK	10/17-ADMIN FEE	219.27	101 4310301	219.27
7392135	A2124	UNDERGROUND SERVICE ALERT/SC	11/17-TICKETS(174)	297.10	484 4752301	297.10
7392136	C4011	UNITED RENTALS	MGC-BOOM TRUCK RNTL-11/28/17 MGC-BOOM TRUCK RNTL-11/28/17 NSC-SOD CUTTER RNTL-12/01/17	1,054.73 727.21 106.22 <u>1,888.16</u>	101 4684222M 101 4684222M 101 4635602	1,054.73 727.21 106.22 <u>1,888.16</u>
7392137	31009	UNIVERSAL ELECTRONIC ALARMS	CDR ST-12/17-SECURITY ALARM PAC-12/17-FIRE ALARM MOAH-12/17-FIRE ALARM PAC-12/17-SECURITY ALARM WH-12/17-SECURITY ALARM TBP-12/17-SECURITY ALARM STP-12/17-SECURITY ALARM NSC-12/17-SECURITY ALARM	37.00 56.00 27.00 27.00 27.00 27.00 27.00 27.00	101 4633301 402 4650301 101 4633301 402 4650402 101 4633301 101 4631301 101 4631301 101 4635301	37.00 56.00 27.00 27.00 27.00 27.00 27.00 27.00

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			OMP-12/17-SECURITY ALARM	27.00	101 4634301	27.00
			CH-12/17-SECURITY ALARM	27.00	101 4633301	27.00
				<u>309.00</u>		<u>309.00</u>
7392138	06076	V S S EMULTECH	FOG SEAL	7,766.12	206 12ST036924	7,766.12
			FOG SEAL	6,780.80	206 12ST036924	6,780.80
				<u>14,546.92</u>		<u>14,546.92</u>
7392139	2228	VALLEY CONSTRUCTION SUPPLY INC	BOO-CAUTION TAPE(7 ROLLS)	76.57	101 4684222B	76.57
7392140	04496	VULCAN MATERIAL WESTERN DIV	COLD MIX	221.74	203 4752410	221.74
			COLD MIX	105.12	203 4752410	105.12
			COLD MIX	96.69	203 4752410	96.69
			ASPHALT	211.74	203 4752410	211.74
			COLD MIX	82.13	203 4752410	82.13
				<u>717.42</u>		<u>717.42</u>
7392141	05087	WALSMA OIL COMPANY	OIL	2,137.92	101 4753214	2,137.92
7392142	31026	WAXIE SANITARY SUPPLY	TOILET PAPER/TOWELS	95.90	203 4752406	95.90
			OMP-T PPR/TWLS/CN LNR/FRSHNR	1,406.91	207 4634406	1,406.91
				<u>1,502.81</u>		<u>1,502.81</u>
7392143	05806	WEST COAST SAFETY SUPPLY CO	ROOT CONTROL TRAINING(5)	340.00	480 4755200	340.00
			GAS/SENSOR/PUMP	2,602.49	480 4755402	2,602.49
				<u>2,942.49</u>		<u>2,942.49</u>
7392144	2400	XEROX CORPORATION	11/17-COPIER LEASE-GYA 112199	2,029.85	101 4310254	2,029.85
7392145	04627	Z A P MANUFACTURING INC	REMOVE/REFACE SIGNS(51)	510.71	203 4785455	510.71
7392146	08580	ZENNO, KRISTI	RFND-PY CREDIT ON ACCOUNT	100.00	101 2182001	100.00
7392147	C7908	ASHLIN, JIMMIE	JA-RTRN CREDIT UNION REDUCTION	125.00	101 2154000	125.00
Chk Count				<u>452</u>	Check Report Total	<u>6,542,927.43</u>



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From Check No.: 101009937 - To Check No.: 101009955

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
101009937	07172	ENERGY AMERICA, LLC	09/17-LCE ENERGY CHARGES	3,913,374.94	490 4370301	52,089.93
					490 4370653	3,861,285.01
				<u>3,913,374.94</u>		<u>3,913,374.94</u>
101009938	07936	WESTERN ANTELOPE DRY RANCH LLC	09/17-LCE ENERGY CHARGS-SPOWER	119,754.90	490 4370653	119,754.90
101009939	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH-TOURNAMENT	3,500.00	101 1020004	3,500.00
101009940	07101	CALPINE ENERGY SOLUTIONS LLC	INV #CALP2018-01PREPAY	2,535.00	490 4370653	2,535.00
101009941	A7515	U S BANK	TRANSFER-LT SECURITY FUNDS	2,000,000.00	101 1013000	2,000,000.00
101009942	05945	CUTWATER INVESTORS SRVCS CORP	10/17-INVESTMENT ADVISORY SRVC	2,458.52	101 4310301	2,458.52
101009943	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH EXPENSE	622.50	101 4200201	20.00
					101 4701202	55.00
					101 4755355	50.00
					101 4762202	20.00
					101 4762202	20.00
					101 4783200	20.00
					101 4785206	20.00
					203 4785230	187.50
					480 4755202	60.00
					480 4755202	70.00
					480 4755202	100.00
				<u>622.50</u>		<u>622.50</u>
101009944	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH DRAW	923.00	101 1020000	923.00
101009945	08557	SILICON VALLEY POWER	02/18-ENERGY PROCUREMENT	686.00	490 4370653	686.00
101009946	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH-TOURNAMENT	3,500.00	101 1020004	3,500.00
101009947	04867	CITY OF LANCASTER-PARKS	MGC-CHANGE FUND REQUEST	1,200.00	101 1020004	1,200.00
101009948	04867	CITY OF LANCASTER-PARKS	MGC-CHANGE FUND REQUEST	1,800.00	101 1020004	1,800.00
101009949	06928	TOWER CAPITAL MANAGEMENT	DELNQNT SPCL TAX/ASSESSMNT JPA	13,058.10	101 3100100	843.18
					401 2501100	323.09
					480 3100100	5,265.99
					482 3102100	505.57
					483 3100100	22.49
					483 3100100	5,985.27
					484 3100100	42.46
					812 3100100	(4.86)

# City of Lancaster Check Register



From Check No.: 101009937 - To Check No.: 101009955

From Check Date: 11/26/17 - To Check Date: 12/16/17

Printed: 12/20/2017 9:04

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				13,058.10	831 3100100	74.91 13,058.10
101009950	06928	TOWER CAPITAL MANAGEMENT	DELNQNT SPCL TAX/ASSESSMNT JPA	26,880.32	401 2501100 480 3100100 482 3102100 483 3100100 484 3100100	15.63 12,710.09 858.03 13,035.67 260.90 26,880.32
101009951	04867	CITY OF LANCASTER-PARKS	BWS-CHANGE FUND REQUEST	300.00	101 1020004	300.00
101009952	07280	MARIN CLEAN ENERGY	LCE-07/16-RA CAPACITY PRODUCT	29,750.00	490 4370653	29,750.00
101009953	05987	THE VISITORS BUREAU/LANCASTER	10/17 TBID FEES	44,870.47	101 2501000	44,870.47
101009954	07981	FRABER PROPERTIES II LLC	CP16003-SENIOR CNTR RENOVATION	289,014.38	101 4310212 261 11BS025924	(27.00) 289,041.38 289,014.38
101009955	C9589	U S BANK CORP PAYMENT SYSTEMS	12/11/17-CALCARD STATEMENT	72,077.16	101 2601000	72,077.16
Chk Count	<u>19</u>			Check Report Total	<u>6,526,305.29</u>	

**STAFF REPORT**  
**City of Lancaster**

CC 3
01/09/18
MVB

Date: January 9, 2018  
To: Mayor Parris and City Council Members  
From: Pam Statsmann, Finance Director  
Subject: **Monthly Report of Investments – November 2017**

---

**Recommendation:**

Accept and approve the November 2017 Monthly Report of Investments as submitted.

**Fiscal Impact:**

None

**Background:**

Each month, the Finance Department prepares a report listing the investments for all separate entities under the jurisdiction of the City as identified in the City’s Comprehensive Annual Financial Report.

Portfolio Recap

Yield:

	<u>November 2017</u>	<u>October 2017</u>
Total Portfolio	1.07%	1.08%
Local Agency Investment Fund	1.17%	1.14%
 Total Portfolio Balance:	 \$59,574,798	 \$58,706,470

The portfolio balance increased slightly from October to November. Significant revenues for November include \$1,900,400 of Sales and Use Tax, \$827,905 of funds from METRO (Prop A, Prop C, and Measure R), and \$331,640 of Franchise Fees. Some of the larger expenditures include \$3,913,375 to Energy America’s for the purchase of energy, \$315,079 to Cardlock Fuel Systems, and \$279,649 to US Bank to pay Successor Agency debt service.

The City’s temporary idle cash, those funds that are not immediately needed to pay current bills and not governed by bond indentures or bond resolutions, is invested in accordance with the City’s adopted Investment Policy. This policy is reviewed regularly by the City Council, with the latest policy adopted January 13, 2015, by Resolution No. 15-02.

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible within the guidelines of this Investment Policy. The City attempts to achieve the highest yield obtainable through a diversified portfolio only after meeting the criteria established for safety and liquidity in that order. The principal investment objectives of the City are:

1. Preservation of capital and protection of investment principal;
2. Maintenance of sufficient liquidity to meet anticipated cash flows;
3. Attainment of a market rate of return;
4. Diversification to avoid incurring unreasonable market risks, and;
5. Compliance with the City's Municipal Code and with all applicable City resolutions, California statutes and Federal regulations.

The City's portfolio is a short-term and intermediate-term fixed income portfolio. The maximum maturity of any investment is 5 years, with consideration of anticipated cash flow requirements and known future liabilities. The City contracts with an investment advisory service (Insight Investment) to assist in the effort to maximize the returns of the City portfolio. The City's investments include publicly traded Treasury notes, Treasury Bills, Federal Agency Investments, Time Deposits, and Local Agency Investment Fund (LAIF) under the auspices of the State Treasurer for investment. Funds invested in LAIF are available within 24 hours, and other investments are available upon maturity at full face value. These investments enable the City to meet its expenditure requirements for the next six months, as required by state law.

The City's investment procedures are governed by Sections 53600 et. seq. of the California Government Code. Additional requirements have been placed on the City's authorized investments by the Investment Policy (a copy is available in the Finance Department or from the City Clerk), and all investments listed on the attached report adhere to these requirements.

PS:TH

**Attachment:**

Monthly Report of Investments

**ATTACHMENT A  
CITY OF LANCASTER  
MONTHLY REPORT OF INVESTMENTS  
November 30, 2017**

	<b>Interest Rate</b>	<b>Amount</b>	<b>Total</b>
<b><u>City of Lancaster</u></b>			
<b>Wells Fargo Bank</b>			<b>\$4,068,937</b>
City of Lancaster Account (note 1)	0.00%	\$3,968,937	
Certificate of Deposit	0.10%	\$100,000	
<b>Bank of America</b>			<b>\$100,000</b>
Certificate of Deposit	0.05%	\$100,000	
<b>U S Bank - Safekeeping (note 2)</b>			<b>\$37,341,702</b>
Commercial Paper	0.00%	\$0	
US Treasury Notes	1.39%	\$9,151,850	
Federal Government Agencies	1.18%	\$21,177,896	
Corporate Securities	0.76%	\$6,986,713	
Cash & Equivalents	0.00%	\$25,244	
<b>California Bank &amp; Trust</b>			<b>\$100,000</b>
Certificate of Deposit	0.01%	\$100,000	
<b>Chase Bank</b>			<b>\$150,904</b>
Certificate of Deposit	0.01%	\$150,904	
<b>Mission Bank</b>			<b>\$201,177</b>
Certificate of Deposit	0.20%	\$201,177	
<b>Local Agency Investment Fund (L.A.I.F.)</b>	1.17%	\$15,042,545	<b>\$15,042,545</b>
<b>Total City of Lancaster</b>			<b><u>\$57,005,265</u></b>
<b><u>Successor Agency for the Lancaster Redevelopment Agency</u></b>			
<b>Local Agency Investment Fund (L.A.I.F.)</b>	1.17%	\$2,569,533	<b>\$2,569,533</b>
<b>Total Lancaster Successor Agency</b>			<b><u>\$2,569,533</u></b>
<b>Total Pooled Portfolio (note 3)</b>			<b><u>\$59,574,798</u></b>
<b>Weighted Average</b>	<b>1.07%</b>		

**ATTACHMENT A  
CITY OF LANCASTER  
MONTHLY REPORT OF INVESTMENTS  
November 30, 2017**

	Interest Rate	Amount	Total
<b>Wilmington Trust</b>			<b>\$2,908,791</b>
Lancaster Choice Energy LockBox Account	0.00%	\$2,908,791	
<b>The Bank of New York Mellon Trust Company, N.A.</b>			<b>\$1,483,822</b>
LRA & LA County Escrow Account - Government Bonds	0.00%	\$1,483,822	
<b>US Bank</b>			<b>\$12,481,226</b>
CFD 89-1 1990 Special Bonds	0.11%	\$3	
LFA CFD 89-1 1997 Special Bonds	0.25%	\$1,697	
LFA L O BONDS 1997 SERIES A & B	0.25%	\$267,869	
AD 93-3 1994 Limited Improvement Bonds	0.25%	\$454,988	
LRA Combined 2004 Fire Protection Facilities Project Bonds	0.25%	\$1,534,803	
LRA Combined 2004 Sheriff Facilities Prjct Refunding Bonds	0.26%	\$3,282,204	
LRA Public Capital Facilities 2010 Project Lease Revenue Bonds	0.25%	\$695,241	
LPA Solar Renewable Energy Issue of 2012A	0.25%	\$2,232,532	
SA Combined Project Areas Refunding Bonds 2015A & B	0.25%	\$465,193	
SA Combined Project Areas Refunding Bonds 2016 A-1 & A-2	0.24%	\$1,058,849	
SA Combined Project Areas Refunding Bonds 2016B	0.32%	\$937,353	
LFA 2016 Assessment Revenue Bonds (Streetlights Acquisition)	0.00%	\$406,457	
SA 2017 Tax Allocation Revenue Bonds (TARB)	0.00%	\$1,144,039	
<b>Total Restricted Cash/Investments Held in Trust</b>		<b><u>\$12,481,226</u></b>	
<b>Total Restricted Cash/Investments Held in Trust (note 4)</b>			<b><u><u>\$16,873,838</u></u></b>

All investments are authorized pursuant to and consistent with the investment policy of the City of Lancaster. Policy adopted 01/13/2015 under resolution number 15-02.

Pamela Statsmann  
Finance Director

City of Lancaster  
Cash Balances by Fund  
November 30, 2017

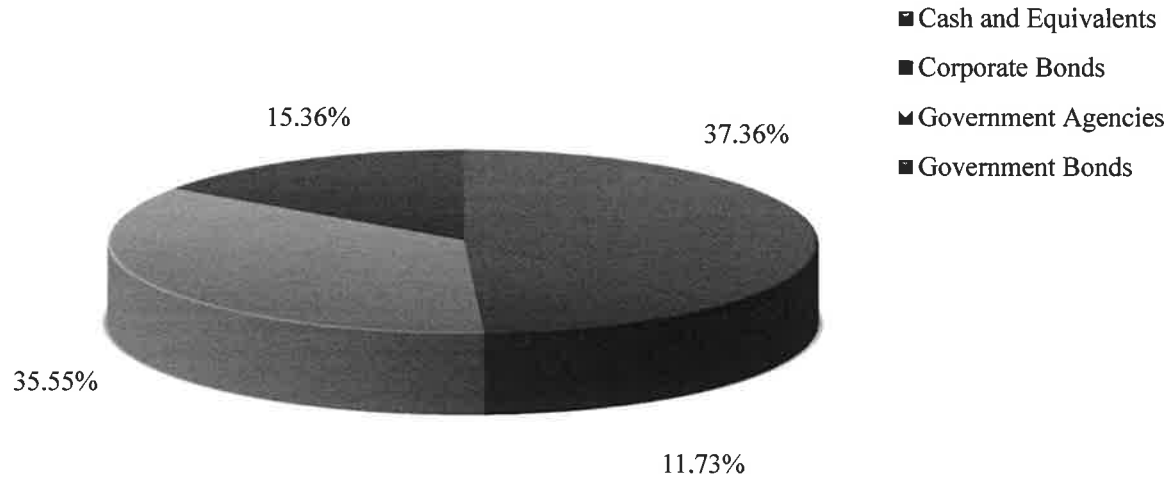
Fund No.	Fund Name	Ending Balance	Fund No.	Fund Name	Ending Balance
101	GENERAL FUND	\$ 16,995,318	324	STATE GRANT - OTS	\$ (22,414)
104	CAPITAL REPLACEMENT FUND	\$ 2,366,972	330	STATE GRANT RECYCLING	\$ 91,249
106	COMMUNITY SERVICES FOUNDATION	\$ 158,862	331	STATE GRANT - OIL RECYCLING	\$ 8,893
109	CITY SPECIAL RESERVES FUND	\$ (3,766,285)	349	MISC STATE GRANTS	\$ (293,357)
150	CAPITAL PROJECTS FUND - CITY	\$ 2,813,215	361	CDBG	\$ (751,357)
203	GAS TAX	\$ (130,130)	363	NBRHD STABILIZATION PRGM	\$ 1,789,997
204	AQMD	\$ 158,780	364	HPRP-HOMELESS PREV & RAPID REH	\$ (2,522)
205	PROP 1B	\$ 245,721	391	LANCASTER HOME PROGRAM	\$ 707,708
206	TDA ARTICLE 8 FUND	\$ (4,814,651)	399	FEDERAL MISCELLANEOUS GRANTS	\$ (1,320,346)
207	PROP "A" TRANSIT FUND	\$ 2,450,944	401	AGENCY FUND	\$ 716,857
208	TDA ARTICLE 3 BIKEWAY FUND	\$ 1,495	402	PERFORMING ARTS CENTER	\$ (670,471)
209	PROPOSITION "C" FUND	\$ 5,420,414	404	GRANTS FUND	\$ (291,754)
210	MEASURE R FUND	\$ 4,403,000	408	X-AEROSPACE GRANTS FUND	\$ (86,205)
211	MEASURE M FUND	\$ 240,361	456	STILL MEADOW LN SWR ASSMNT DST	\$ 1,508
213	PARKS DEVELOPMENT FUND	\$ 857,288	480	SEWER MAINT FUND	\$ 3,214,089
217	SIGNALS - DEVELOPER FEES FUND	\$ 3,718,452	482	LANDSCAPE MAINTENANCE DISTRICT	\$ 1,870,877
220	DRAINAGE - DEVELOPER FEES FUND	\$ 4,509,402	483	LIGHTING MAINTENANCE DISTRICT	\$ (2,523,281)
224	BIOLOGICAL IMPACT FEE FUND	\$ 656,948	484	DRAINAGE MAINTENANCE DISTRICT	\$ 1,085,814
226	USP - OPERATION	\$ 2,569	485	RECYCLED WATER FUND	\$ (227,981)
227	USP - PARKS	\$ 1,342,258	486	LANCASTER POWER AUTHORITY	\$ 2,376,196
228	USP - ADMIN	\$ 38,167	490	LANCASTER CHOICE ENERGY	\$ 1,801,145
229	USP - CORP YARD	\$ 139,286	491	CALIFORNIA CHOICE ENERGY AUTH	\$ (157,738)
230	MARIPOSA LILY FUND	\$ 62,733	701	LANCASTER FINANCING AUTHORITY	\$ 5,103
232	TRAFFIC IMPACT FEES FUND	\$ 2,907,805	810	ASSESSMENT DISTRICT FUND	\$ 154,596
248	TRAFFIC SAFETY FUND	\$ 79,737	811	AD 93-3	\$ 152,271
251	ENGINEERING FEES	\$ (482,946)	812	AD 92-101	\$ 87,602
252	PROP 42 CONGESTION MANAGEMENT	\$ 470,538	830	CFD 89-1 EASTSIDE WATER FUND	\$ 792,160
261	LOS ANGELES COUNTY REIMB	\$ 983,729	831	CFD 90-1 (BELLE TIERRA)	\$ 447,162
301	LANCASTER HOUSING AUTH. OPS.	\$ 3,259,418	832	CFD 91-1 (QUARTZ HILL)	\$ 774,035
306	LOW & MOD INCOME HOUSING	\$ 5,016,759	833	CFD 91-2 (LANC BUSINESS PARK)	\$ 450,644
321	MTA GRANT - LOCAL	\$ (341,930)	991	REDEV OBLIGATION RETIREMENT FD	\$ 1,847,079
				<b>Total Cash Balance</b>	<b>\$ 61,791,787</b>

\* Variance from portfolio balance due to deposits in transit and outstanding checks at month end

**City of Lancaster  
Recap of Securities Held  
November 30, 2017**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Effective	% Portfolio/ Segment	Weighted Average Market
Cash and Equivalents	\$22,258,340	\$22,258,340	\$22,258,340	\$0	1	37.36%	0.00
Corporate Bonds	\$6,986,713	\$6,957,067	\$6,911,109	(\$45,958)	600	11.73%	1.60
Government Agencies	\$21,177,896	\$21,164,637	\$20,997,694	(\$166,943)	542	35.55%	1.34
Government Bonds	\$9,151,850	\$9,132,366	\$9,089,419	(\$42,947)	489	15.36%	1.31
<b>TOTAL</b>	<b>\$59,574,798</b>	<b>\$59,512,409</b>	<b>\$59,256,561</b>	<b>(\$255,848)</b>	<b>539</b>	<b>100.00%</b>	<b>1.38</b>

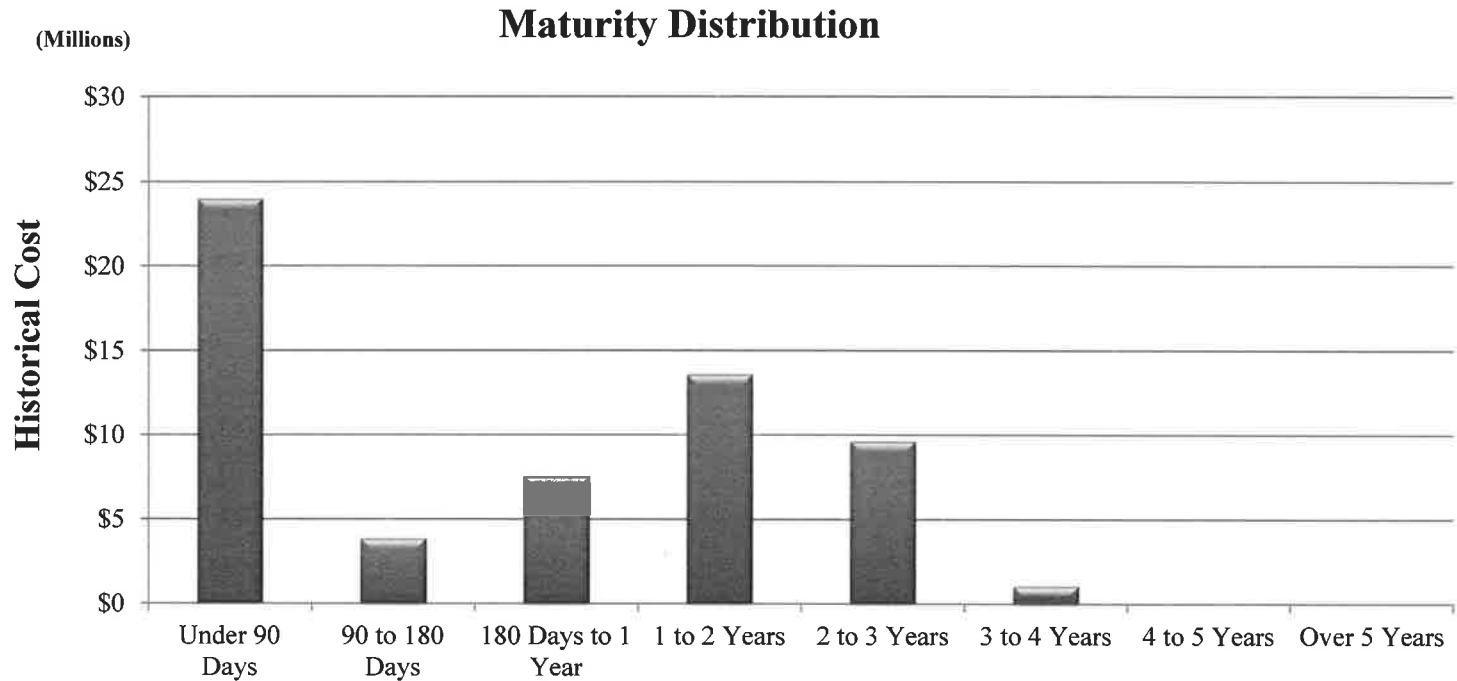
**Portfolio Diversification**





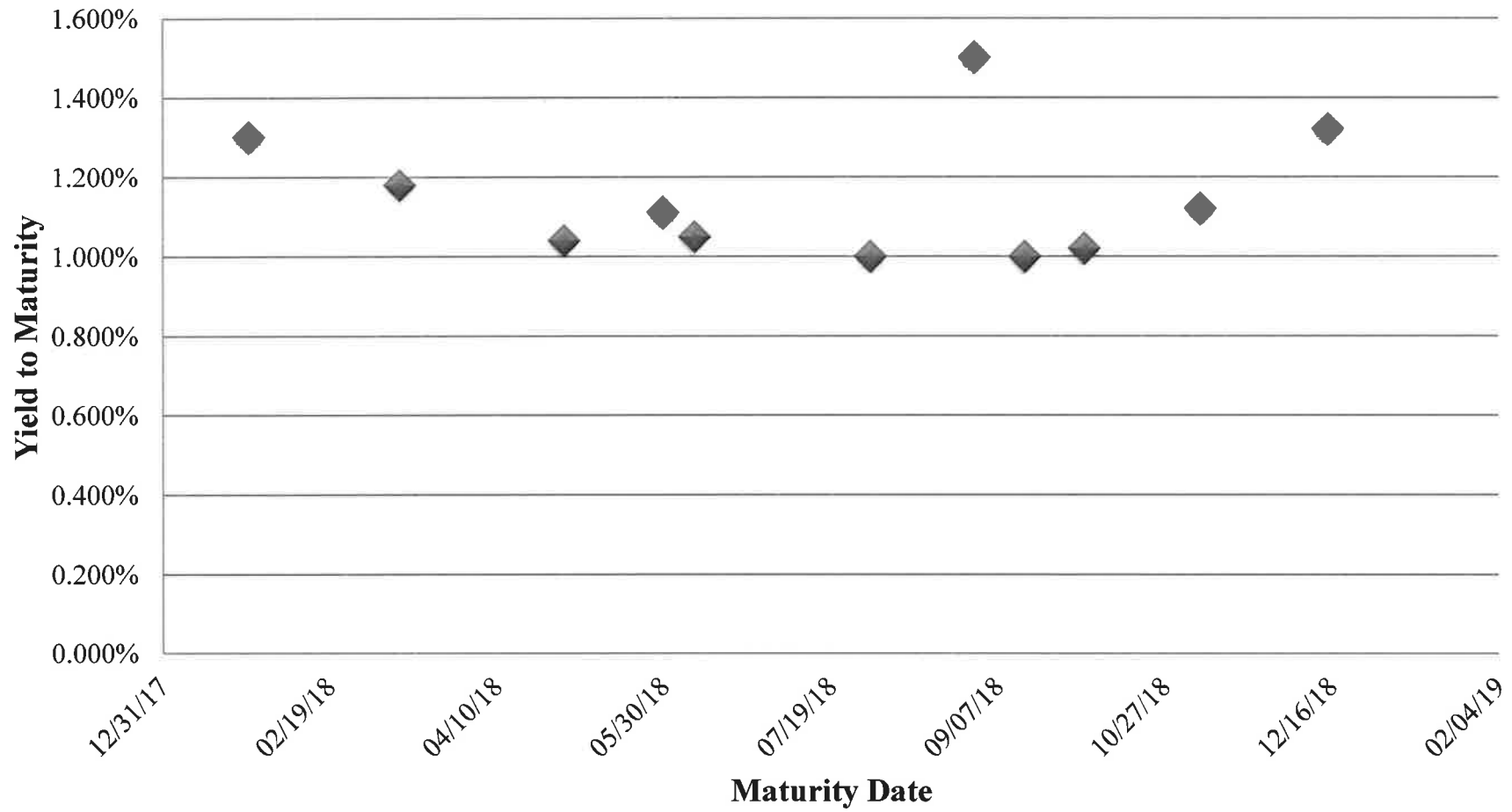
City of Lancaster  
Maturity Distribution  
November 30, 2017

Maturity	Historical Cost	Percent
Under 90 Days	\$23,995,513	40.28%
90 to 180 Days	\$3,843,568	6.45%
180 Days to 1 Year	\$7,474,893	12.55%
1 to 2 Years	\$13,591,655	22.81%
2 to 3 Years	\$9,619,957	16.15%
3 to 4 Years	\$1,049,213	1.76%
4 to 5 Years	\$0	0.00%
Over 5 Years	\$0	0.00%
	<b>\$59,574,798</b>	<b>100.00%</b>



City of Lancaster  
Securities Held  
November 30, 2017

### Securities Held



**STAFF REPORT**  
**City of Lancaster**

CC 4
01/09/18
MVB

Date: January 9, 2018

To: Mayor Parris and Council Members

From: Jason Caudle, Deputy City Manager  
Kathy Wells, Energy Projects Assistant

**Subject: Approve Agreement to Terminate Memorandum of Understanding and Power Purchase Agreement between the Lancaster Power Authority and Morgan Solar, Inc.**

---

**Recommendation:**

Approve Agreement to Terminate Memorandum of Understanding and Power Purchase Agreement between the Lancaster Power Authority and Morgan Solar, Inc.; and authorize the City Manager, or his designee, to execute all documents and make any non-substantive changes necessary to complete the transaction.

**Fiscal Impact:**

With early termination of the Power Purchase Agreement, the City will realize an estimated savings of \$514,960. The energy contracted price through the agreement is \$0.06481/kWh; facility generates an average of 35,631 kWh per month and there are 223 months remaining on the term.

**Background:**

On July 12, 2011, Lancaster Power Authority and Morgan Solar, Inc. entered into a Memorandum of Understanding and Power Purchase Agreement (MOU), whereby Morgan would utilize property owned by the City of Lancaster (City) to install and operate a Solar Generation Facility (Facility) and the Authority would have the opportunity to purchase the electrical output from the facility at a rate certain for a term of twenty (20) years.

Morgan desires an earlier termination of the MOU, and desires transfer of ownership of the Facility to the City of Lancaster. Upon acceptance of the termination, the City shall be the sole owner of the Facility and the sole recipient of all benefit from Net Energy Metering paid by SCE. In addition, the City will be responsible for all costs associated with maintaining, repairing, and/or decommissioning the Facility, as well as for all applicable taxes.

**Attachments:**

Agreement to Terminate MOU  
Memorandum of Understanding and Power Purchase Agreement

**AGREEMENT TO TERMINATE MEMORANDUM OF UNDERSTANDING AND  
POWER PURCHASE AGREEMENT BETWEEN THE LANCASTER POWER  
AUTHORITY AND MORGAN SOLAR, INC.**

This "Agreement to Terminate a Memorandum of Understanding and Power Purchase Agreement" (Agreement) is made and entered into on this \_\_\_\_\_ day of December, 2017, by and between the Lancaster Power Authority (Authority) and Morgan Solar, Inc. (Morgan) (collectively, the Parties).

WHEREAS, on July 12, 2011, the Parties entered into a Memorandum of Understanding and Power Purchase Agreement (MOU), whereby Morgan would utilize property owned by the City of Lancaster (City), as described herein, to install and operate a Solar Generation Facility (Facility) and the Authority would have the opportunity to purchase the electrical output from the Facility at a rate certain; and

WHEREAS, the MOU provided for a term of twenty (20) years; and

WHEREAS, Morgan now desires an earlier termination of the MOU, and desires to transfer ownership of the Facility to the City of Lancaster, and the Authority is willing for such to occur.

NOW, THEREFORE, in consideration of their mutual promises, benefits, obligations and covenants contained herein, the Parties agree as follows:

1. The MOU shall be terminated, effective as of the date of this Agreement.
2. In consideration for the Authority agreeing to the early termination of the MOU, Morgan shall transfer sole ownership of the Facility to the City of Lancaster.
3. The City shall be responsible for all costs associated with maintaining, repairing, and/or decommissioning the Facility, as well as for all applicable taxes.
4. As owner of the Facility, the City shall have sole authority to determine whether and when to operate the Facility and/or sell, decommission or otherwise dispose of the Facility.

*[Signatures begin on following page]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

LANCASTER POWER AUTHORITY

By: \_\_\_\_\_  
Mark V. Bozigian, Executive Director

MORGAN SOLAR, INC.

By: \_\_\_\_\_  
Hugo Navarro, VP, Finance & Operations

ATTEST:

\_\_\_\_\_  
City Clerk/Authority Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney/Authority Counsel

**140 KW SOLAR GENERATION FACILITY MEMORANDUM OF  
UNDERSTANDING AND POWER PURCHASE AGREEMENT BETWEEN  
THE LANCASTER POWER AUTHORITY AND MORGAN SOLAR INC.**

This Memorandum of Understanding and Power Purchase Agreement is made and entered into in the City of Lancaster (City), California, on this 12th day of July, 2011, by and between the Lancaster Power Authority, a municipal utility of the State of California (hereinafter referred to as "LPA"), and Morgan Solar Inc., a Canadian Corporation, (hereinafter referred to as "MORGAN"), collectively referred to as "the Parties".

WHEREAS, LPA desires to enhance the use of renewable energy within the City, and

WHEREAS, LPA has available space at the Lancaster National Soccer Center ("LNSC") on which LPA is willing to allow MORGAN to construct a prototype Solar Generation Facility (Facility), and

WHEREAS, MORGAN, in cooperation with The University of Ottawa ("UOTTAWA") has acquired two grants from SDTC and APECS (the "Grants") for the design and construction of the Facility, desires to construct the Facility on the available space at the LNSC, and

WHEREAS, MORGAN and UOTTAWA will each own equipment that they are willing to deploy on the site, and

WHEREAS, ownership of the UOTTAWA equipment will transition to MORGAN upon the completion of the Grant.

NOW, THEREFORE, in consideration of their mutual promises, benefits, obligations, and covenants hereinafter contained, the Parties hereto agree to undertake a project (the "Project") as follows:

1. Duration of Agreement. This agreement ("Agreement") shall be binding upon the Parties for twenty (20) years from the execution date hereon written unless modified in writing by the Parties before the termination date. Should the Agreement be terminated before the twenty (20) year period, except as noted below under the First Right of Refusal provision, MORGAN shall remove all equipment installed by them as part of the Facility and return the site to a condition acceptable to LPA, or in lieu of removal, sign over ownership of Facility, in its entirety, to LPA.
2. Property Available at LNSC. The property available at the LNSC is located east of the Maintenance Building (43000 30<sup>th</sup> Street East, Lancaster, Ca.) and consists of approximately two (2) acres more particularly described in Exhibit "A" Property, attached hereto and made a part hereof ("Property").
3. Site Description/Preparation. The Property is generally flat except for an approximate 5% slope along the south side near the parking lot and has stockpiles of material that will need to be relocated. It is anticipated that the site will require grading (to accommodate up to 78 trackers and two access roads). A minimum 6' high lockable chain link fence with

construction tarp and one 20' wide gate will be constructed on the open south side of the Property to secure the site. One curb cut for drive access will need to be made in the existing curb per the site plan. The final site plan is pending all necessary permitting requirements.

4. Reimbursement Agreement. Reimbursement for certain LPA provided services shall be as detailed in Exhibit "B" Reimbursement Agreement attached hereto and made a part hereof ("Reimbursement Agreement").
5. Use of LPA Personnel. LPA desires to have one or more of its staff involved in the installation of the Facility to provide for ease of future operation and maintenance should the Facility be turned over to LPA under the First Right of Refusal section below. The use of said staff would be at no cost to MORGAN.
6. Plans/Permits/Approvals. Plans are to be prepared by MORGAN and permits and approvals obtained by MORGAN through the City or other agencies as appropriate. LPA will assist in obtaining permits and approvals by other agencies and will not unreasonably withhold granting permits and approvals under its jurisdiction. The LPA has affirmed that there are no required public consultation processes, noise by-laws, or other regulations other than those listed herein (See Exhibit "E" Notice of Exemption). The following will be required to obtain plan approval and permit(s) from the City:
  - a. A site plan of the installation, including panel locations, equipment locations, and access will be required to be reviewed and approved by Fire Prevention as well as for City review. Fire Prevention will probably require existing fire hydrants, both on and off-site, to be shown on the site plan.
  - b. A grading plan may also be required, depending upon how the site is to be prepared for the attachment of the mounting and tracking systems to be used.
  - c. Other information required for permitting:
    - Installation details of mounting systems
    - Structural calculations as might be required for the mounting system
    - Array plans
    - Electrical plans, including location of all equipment
    - Electrical diagrams
    - Notes and warning signs as required by the 2010 Calif. Elec. Code, Article 690
    - Manufacturer's cut-sheets, including listings, for all equipment
    - Additional information may be required during the plan review process.
7. SCE Filings. Applications for Net Energy Metering (NEM) to Southern California Edison (SCE) shall be prepared by LPA staff with input and details provided by MORGAN as necessary. The NEM Application, Contract and Interconnection Agreement with SCE will be executed by LPA.

8. Electrical Design and Installation of Facility. All costs associated with the electrical design for and installation of the Facility (Work) will be by MORGAN except as noted in the Exhibit "B" Reimbursement Agreement wherein LPA is willing to provide or have provided certain portions of the Work to be reimbursed by MORGAN.
9. Connection to Existing Meter. The connection to the existing meter at the maintenance building shall be made by an electrician licensed in the State of California who holds a current business license in the City of Lancaster. Connection shall not be made until City building inspector has signed off on the installation and submitted the connection approval to SCE and after SCE has provided and LPA has signed the Interconnection Agreement. Coordination with SCE shall be by LPA and MORGAN.
10. Land option: Pursuant to on-going discussions between LPA and MORGAN commenced in August, 2010, LPA agrees to provide MORGAN with an option to lease (the "Option") 25 acres designated by Assessor's Parcel Number 3170-008-908 that will expire **October 1, 2011**. No later than 31 July, 2011 MORGAN is to present the LPA with a proposal for the development of all or part of the 25 acres that as well as plans to foster a broader relationship with the LPA that may include additional permitting and sub-contracting, as well as additional land lease and development options, which collectively will be embodied in a secondary agreement (the "Development Agreement"). MORGAN and the LPA will aim to achieve Board approval for the Development Agreement by 27 September, 2011. The deadline for achieving Board approval for the can be changed by mutual consent of both parties, where such consent will not be unreasonably withheld.
11. Power Purchase Agreement: Six (6) months after the completion of the installation and net metering is active the LPA will pay to MORGAN the electrical output from the Facility at a rate of \$0.06481 per kWh delivered (the "Power Sale"). The LPA will be the sole recipient of all remaining benefit from NEM paid by SCE or California Solar incentives (if any).
12. First Right of Refusal. Every five (5) years from the date net metering becomes active, or whenever mutually agreed upon, LPA and MORGAN to review sale of facility to the LPA. At any time MORGAN agrees to provide LPA the first right to refuse ownership of the Facility. Facility may not be transferred to another entity without LPA's written consent, which shall not be unreasonably withheld.
13. Right to Remain. City will not re-zone or otherwise modify the plans for use at the Facility site without the written approval of MORGAN. Notwithstanding the foregoing, any change in City policy that requires the removal of the Facility will result in the reimbursement by the LPA to MORGAN of all costs related to the preparation, construction and installation of the Facility.
14. Engineering and Construction Schedule. The Schedule shall be as shown in Exhibit "C" Schedule, attached hereto and made a part hereof. The Schedule may be adjusted for cause, by mutual consent of the Parties.



15. Site Access and Security. The LNSC gates located at 30<sup>th</sup> Street East and Avenue L are locked at night for security. Should there be a need to access the Facility after normal business hours either during or after construction, MORGAN personnel can call the LNSC standby number for access. The Facility gate will be double locked for access by MORGAN and or LPA personnel as needed/authorized. Tours by LPA and/or by Morgan will be arranged in advance to allow necessary arrangements for access and equipment such as hard hats, vests etc.
16. Termination. Both parties may terminate the Agreement by mutual consent, where such consent will not be unreasonably withheld.
17. Environmental Compliance. It is anticipated that only a Notice of Exemption will need to be prepared and filed to comply with the California Environmental Quality Act (CEQA). LPA has prepared and filed the Notice of Exemption for the Facility.
18. Storage Area During and After Construction. The Northwestern most row of parking lot immediately adjacent to the Property will be made available to MORGAN free of cost during construction for staging and storage of materials. Upon sole consent of the LPA, additional parking spaces to be provided by the LPA upon written request of MORGAN, where such consent will not be unreasonably withheld.
19. Access to Phone and Internet Service. Phone and internet service will only be available by wireless connection. Application and associated costs shall be made and borne by MORGAN.
20. Operation and Maintenance Costs. During the Term of the Agreement, or until the Facility is sold, MORGAN shall bare all costs of Operation and Maintenance of the Facility.
21. Insurance. Insurance Coverage shall be provided by MORGAN, or its subsidiaries, affiliates, contractors or sub-contractors, in accordance with Exhibit "D" Insurance, at all times.
22. Indemnity. All parties to this agreement shall indemnify, defend, and hold all other parties to this agreement harmless from and against all damages, expenses, costs and liabilities arising out of negligent acts, omissions or wrongful conduct in the course of performance of this Agreement, including, without limitation, the breach or failure of the warranties and representations set forth herein.
23. Exclusive Agreement. This document constitutes the entire Agreement between the parties, and no promises or representations, other than those contained herein and those implied by law, have been made by the Parties. Any modifications to this Agreement must be in writing and signed by all Parties.
24. Severability. In the event any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any

provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.


25. Applicable Law. This Agreement will be governed by the laws of the State of California.
26. Paragraph Headings. The headings of particular paragraphs and subparagraphs are inserted only for convenience and are not part of this Agreement and are not to act as a limitation on the scope of the particular paragraph to which the heading refers.
27. Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:
  - a. When delivered personally to the recipient's address as stated in this Agreement;
  - b. Three days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated in this Agreement; or
  - c. When sent electronically or by telex to the last e-mail address or telex number of the recipient known to the person giving notice. Notice is effective upon receipt provided that a duplicate copy of the notice is promptly given by first class mail, or the recipient delivers a written confirmation of receipt.
28. Resolving Disputes. If any court action is necessary to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees, costs and expenses in addition to any other relief to which he or she may be entitled.
29. Electronic Signatures. LPA and MORGAN agree that this Agreement will be considered signed when the signature of a party is delivered by electronic transmission. Signatures transmitted electronically shall have the same effect as original signatures.


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

MORGAN SOLAR INC.,

LANCASTER POWER AUTHORITY,

Approved:

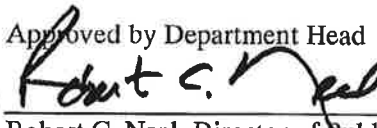
By:   
Hugo Navarro, VP Finance & Operations

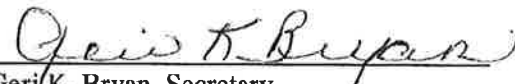
By:   
Mark V. Bozigian, Executive Director

Date: 18 July, 2011

Date: 7-29-11

Approved by Department Head

By:   
Robert C. Neal, Director of Public Works

ATTEST:   
Geri K. Bryan, Secretary

Approved as to Form:

By:   
David R. McEwen, Legal Counsel

## Exhibit "A" Property

### EXHIBIT A

BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 29, T7N, R11W, S8M IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH FACE OF AN EXISTING 6 FOOT BLOCK WALL RUNNING APPROXIMATELY ALONG THE SOUTH LINE OF TRACT 49864-06 RECORDED IN MAP BOOK 1324 PAGES 83 THROUGH 94 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY WITH AN EXISTING 6 FOOT CHAIN LINK FENCE RUNNING ALONG THE EASTERLY SIDE OF AN EXISTING WATER TANK AND WELL FACILITY IN THE LANCASTER NATIONAL SOCCER CENTER LOCATED AT 43000 N. 30TH STREET EAST IN LANCASTER, CA. SAID INTERSECTION BEING APPROXIMATELY 1488 FEET WESTERLY OF THE EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 29;

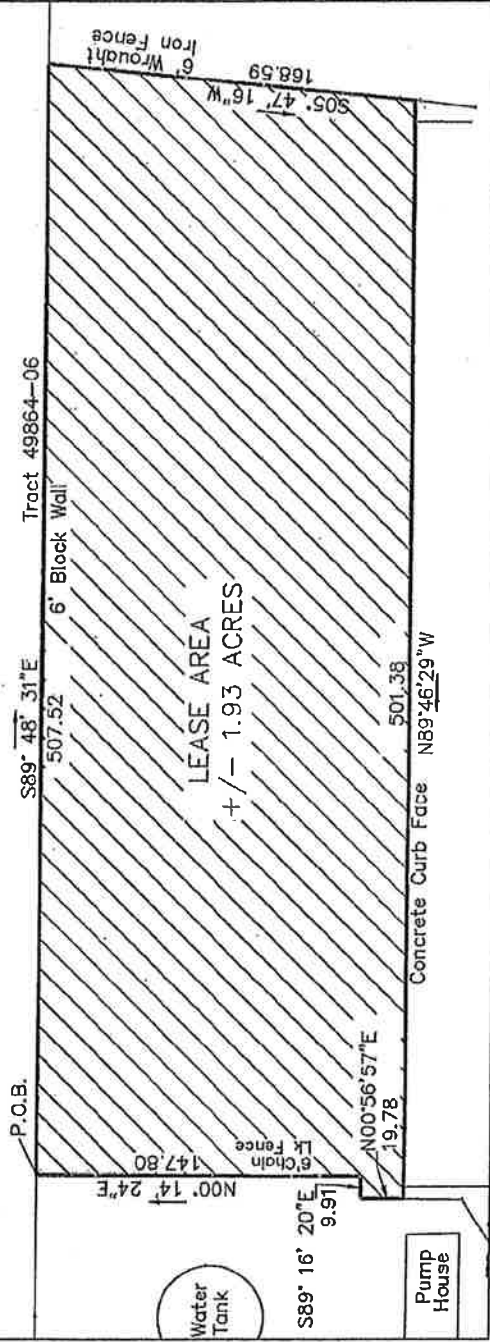
THENCE S89°46'31"E ALONG SAID SOUTH FACE 507.52 FEET TO THE INTERSECTION OF AN EXISTING 6 FOOT WROUGHT IRON FENCE RUNNING ALONG THE WESTERLY SIDE OF A DRAINAGE CHANNEL;

THENCE S05°47'16"W ALONG SAID WROUGHT IRON FENCE 168.59 FEET TO THE EASTERLY EXTENSION OF AN EXISTING CURB FACE RUNNING ALONG THE NORTHERLY EDGE OF AN EXISTING PARKING LOT;

THENCE N88°46'29"W ALONG SAID CURB FACE AND THE EASTERLY AND WESTERLY EXTENSION THEREOF TO THE INTERSECTION OF SAID CHAIN LINK FENCE;

THENCE ALONG SAID CHAIN LINK FENCE THROUGH ITS VARIOUS COURSES, N00°56'57"E A DISTANCE OF 19.78 FEET; S89°16'20"E A DISTANCE OF 9.91 FEET; N00°14'24"E A DISTANCE OF 147.80 FEET TO THE POINT OF BEGINNING.

CONTAINING APPROXIMATELY 1.93 ACRES.



## Exhibit "B" Reimbursement Agreement

### REIMBURSEMENT AGREEMENT

This Agreement ("Agreement") is made and entered into this 12<sup>th</sup> day of July, 2011, by and between the Lancaster Power Authority (hereafter "LPA") and Morgan Solar Inc. (hereinafter referred to as "Morgan"); collectively the "Parties".

This Agreement is based upon the following facts:

- A. Morgan has proposed an electric generation project to the LPA ("Proposed Project"), for consideration and possible participation by LPA.
- B. The Parties anticipate that LPA will incur certain expenses in reviewing applications for evaluating their potential participation in and providing assistance with possible actions to implement the Proposed Project. The Parties wish to establish a framework for Morgan to reimburse LPA for its expenses, as provided herein.

NOW THEREFORE, the parties agree as follows:

1. City Council previously agreed that development of the site proposed for the installation of the 78-tracker Solar Generation Facility by Morgan Solar Inc. would be at no cost to the LPA.
2. The LPA is willing to allow staff to proceed with various items of work including, but not limited to, site preparation, environmental clearance, and contracting with service providers and contractors to accomplish such work on and around the Lancaster National Soccer Center provided such work is reimbursed by Morgan.
3. Morgan hereby agrees to pay any and all costs, including staff time, attorney's fees, permit fees, and inspection fees, contracted work or force labor and materials associated with the work.
4. Morgan agrees to initially deposit with LPA, within 10 days of the execution of this Agreement, \$56,150 to cover the initial estimated costs of the above described work as detailed on attached Exhibit "1" Estimated Cost of Initial Deposit, (Initial Deposit). In addition, as the Initial Deposit is drawn down by the LPA and LPA determines the estimated cost for work yet to be performed is more than the balance of the Initial Deposit, Morgan agrees to deposit with LPA supplementary funds to complete the Work.
5. Any controversy between the parties hereto shall be submitted to arbitration and such arbitration shall comply with and be governed by the principles of the California Arbitration Act, Code of Civil Procedure section 1280-1294.2.
6. All notices herein required shall be in writing and shall be delivered in person or sent by registered mail, postage prepaid, to the following addresses:

LPA:


Lancaster Power Authority  
44933 North Fern Avenue  
Lancaster, CA 93534  
Attn: Robert C. Neal, Public Works Director

MORGAN:

Morgan Solar Inc.  
30 Ordnance Street Toronto,  
Ontario Canada M6K 1A2  
Attn: Hugo Navarro

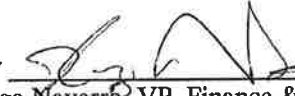
IN WITNESS WHEREOF, the parties hereto have executed this Agreement at Lancaster, California the day and year first above written.

Lancaster Power Authority


By   
Mark V. Bozigian, Executive Director

Signatures Must Be Notarized  
(Attach Notary Acknowledgement Form)

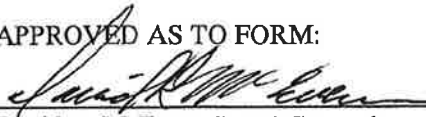
MORGAN SOLAR Inc.,

By   
Hugo Navarro, VP, Finance &  
Operations

ATTEST:

  
GERI K. BRYAN, Secretary  
City of Lancaster

APPROVED AS TO FORM:

  
David R. McEwen, Legal Counsel

Attachment: Exhibit "1" Estimated Cost of Initial Deposit

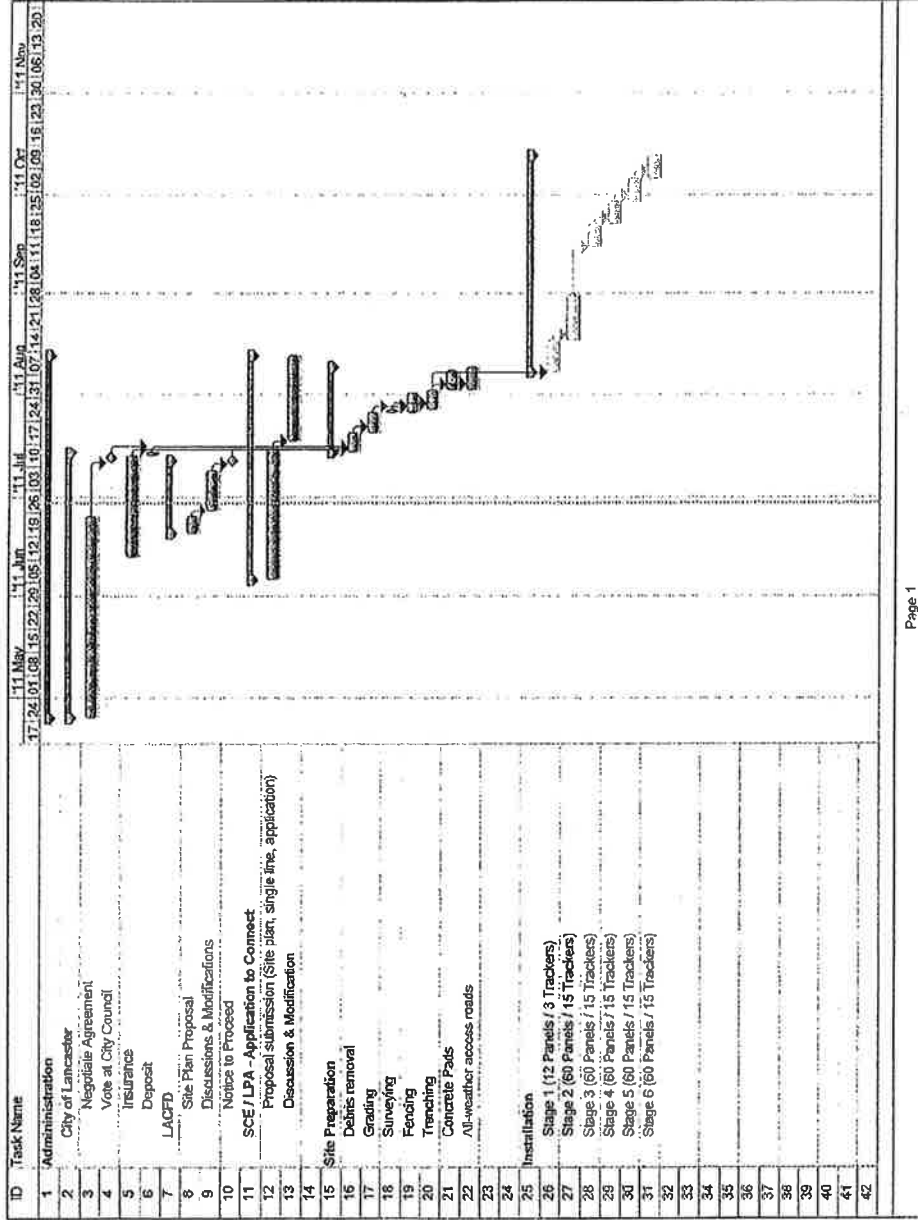
Exhibit "1" Estimated Cost of Initial Deposit

Item #	Proposed Work to be Performed by City Staff	Estimated Cost
1	Environmental Clearance	\$ 350
2	SCE Applications	\$ 1,200
3	Site Preparation	
a	<i>Clearing /grading of site</i>	\$ 8,800
b	<i>Construction Surveying</i>	\$ 1,000
4	Approvals	
a	<i>Plan review and approval</i>	\$ 1,200
b	<i>Permit issuance</i>	\$ 2,100
c	<i>Agreements</i>	\$ 500
	Subtotal	\$ 15,150

Item #	Proposed Work to be Performed by Contractor/Vendor through City	Estimated Cost
1	Electrical Design from Inverter J-box through transformer to Meter.	\$ 5,000
2	Fence material and installation	\$ 16,000
3	Materials and Installation of cable, conduit, transformer and connection at meter (TBC)	\$ 20,000
	Subtotal	\$ 41,000
	<b>Total Estimated Initial Deposit</b>	<b>\$ 56,150</b>

# Exhibit "C" Schedule - To be revised

Exhibit "C"





## **Exhibit "D" Insurance**

### **Lancaster Power Authority Consultant Insurance Requirements – Low Hazard**

Morgan, at its expense, shall maintain in effect at all times during the performance of work under this agreement not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A-, VIII" or better in the Best's Key Rating Guide and that are admitted insurers in the State of California:

<b>Commercial General Liability</b>	
Each Occurrence	\$1,000,000
Per Project General Aggregate Including Products/Completed Operations Including Contractual Liability/Independent Contractors Including Broad Form Property Damage	\$2,000,000
<b>Commercial Automobile Liability</b>	
Combined Single Limit per Accident for Bodily Injury and Property Damage	\$1,000,000
<b>Workers Compensation</b>	
As Required by the State of California	Statutory Limits
<b>Employer's Liability</b>	
Each Accident	\$1,000,000
Bodily Injury by Disease	\$1,000,000
Each Employee	\$1,000,000
<b>Professional Liability</b>	
Each Occurrence	\$1,000,000
General Aggregate	\$1,000,000

- 1) Insurance shall be at least as broad as ISO form CG 20 10 11 85 or CG 20 10 10 01 and CG 20 37 10 01 covering Commercial General Liability. Commercial Automobile coverage shall be at least as broad as ISO form CA 00 01.
- 2) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insured's liability.
- 3) A Waiver of Subrogation must be provided on behalf of the Certificate Holder for the Workers Compensation/Employers Liability policies and a copy of the endorsement must accompany the certificate.
- 4) Any deductibles or self-insurance retentions must be declared and approved by the LPA. At the option of the LPA, either the insurer shall reduce or eliminate such deductibles or self-

insured retentions as respects the LPA insured entities or the insurer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- 5) All insurance shall be primary and non-contributory as respects the LPA insured entities. Any insurance or self-insurance maintained by the LPA insured entities shall be in excess of the Consultant's insurance and shall not contribute with it.
- 6) The coverage provided under this contract shall not contain any special limitations on the scope of protection afforded to the LPA insured entities.
- 7) Insurance provided and maintained by Consultant must be placed with insurers with a rating of A-, VIII or better by Best's Key Rating Guide, latest edition, and that are admitted insurers in the State of California.
- 8) Insurance written on a "claims made" basis must be renewed for a period of five (5) years after this contract expires or is terminated. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this contract and will cover Consultant for all claims made by the LPA insured entities arising out of any acts or omissions of Consultant, its officers, employees, or agents during the time this Agreement was in effect.
- 9) Consultant shall furnish the LPA with Certificates of Insurance and with original endorsements effecting coverage required by this contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the LPA before work commences. The LPA reserves the right to require complete, certified copies of all required insurance policies at any time.
- 10) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the LPA insured entities.
- 11) Certificates of Insurance must be deposited with the LPA for all coverage required by this contract. Certificates shall meet the following requirements:
  - A. Show that the insurance policy has been endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after 30 days prior written notice (10 days written notice for non-payment) by Certified Mail, return receipt requested to the LPA.
  - B. List in the "Descriptions of Operations/Locations/Vehicles/Special Items" section:

The Certificate Holders, as well as their officers, agents, servants, and employees are included as additional insured as respect to liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied, or used by Consultant; or automobiles owned, leased, hired, or borrowed by the Consultant. (This does not apply to Professional Liability policies.)
  - C. List in the "Certificate Holder" section:

The Lancaster Power Authority, City of Lancaster, the Lancaster Redevelopment Agency, the Lancaster Financing Authority, the Lancaster Housing Authority, the Lancaster Boulevard Corporation, the Lancaster Community Services Foundation, and the Lancaster Museum/Art Gallery Associates, as well as each of their officers, agents, servants, and employees, 44933 Fern Avenue, Lancaster, California 93534.

D. List in the "Cancellation" section:

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 written notice (10 days written notice for non-payment) to the Certificate Holders named to the left.

- 12) Consultant shall include all subcontractors as an insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. Subcontractors are subject to the same insurance requirements as the Consultant.
- 13) The coverage shall contain no special limitations on the scope of protection afforded to the insured entities. The Consultant's insurance coverage shall be primary insurance as respects the LPA's insured entities.

Exhibit "E"

**Notice of Exemption**

To: \_\_\_\_\_ Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

From: Lancaster Power Authority  
City of Lancaster  
44933 Fern Avenue  
Lancaster, CA 93534

X County Clerk  
County of Los Angeles  
Environmental Filings  
12400 E. Imperial Hwy., Rm. 1101  
Norwalk, CA 90650

**FILED**

MAY 27 2011

DEAN C. LOGAN  
REGISTRAR-RECORDER/COUNTY CLERK

(Date received for filing) DEPUTY

Project Title: 200 kW Solar Facility

Project Location - General: City of Lancaster, County of Los Angeles, State of California

Project Location - Specific: 2 acres adjacent to the water pumping facility at the Lancaster National Soccer Center (northern portion of the parking area, northeast corner of 30<sup>th</sup> Street East and Avenue L)

Project Description: The proposed project involves the construction of a 200 kilowatt solar generation facility on a disturbed area of the Lancaster National Soccer Center. The proposed facility would feed power into the existing electrical meter than is primarily used for water pumping operations.

Name of Public Agency Approving Project: City of Lancaster

Name of Person or Agency Carrying Out Project: City of Lancaster

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Class 3 Section 15303, New Construction or Conversion of Small Structures
- Statutory Exemptions. State code number: \_\_\_\_\_



Reasons why project is exempt: The proposed project involves the construction of a 200 kW solar facility to provide electricity to the existing water pumping station at the LNSC. This is exempt under Section 15303(d) as it is a utility which would provide service to an existing use.

Lead Agency

Contact Person: Jocelyn Swain Area Code/Telephone: (661) 723-6100

Jocelyn Swain Associate Planner - Environmental April 26, 2011  
Signature Title Date

605-6.8  
Revised 2/18/94

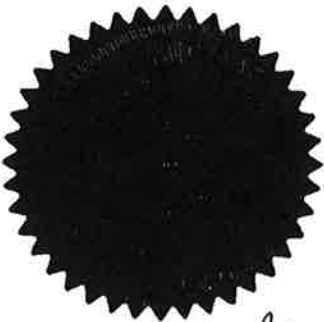
11 0042106

THIS NOTICE WAS POSTED  
ON MAY 27 2011  
UNTIL JUN 28 2011  
REGISTRAR-RECORDER/COUNTY CLERK

**NOTARIAL CERTIFICATE**

I, **MICHAEL GEOFFREY BOND**, of the City of Toronto, in the Province of Ontario, a notary public in and for the Province of Ontario by royal authority duly appointed, do certify that the paper-writing hereto annexed is a true original document signed in front of me on July 18, 2011 by Hugo Navarro, Secretary of Morgan Solar Inc., an act whereof being requested I have granted under my notarial form and seal of office to serve and avail as occasion shall or may require.

**IN TESTIMONY OF WHICH** I have signed this Certificate and affixed my notarial seal at the City of Toronto, this 18<sup>th</sup> day of July, 2011.



*Michael Bond*

Michael Bond  
A Notary Public in and for the Province  
of Ontario

# CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGEMENT

State of California

County of Los Angeles

On August 8, 2011 before me, T. L. GARNER, NOTARY PUBLIC  
(Here insert Name and Title of the Officer)

personally appeared Mark V. Bozigian  
(Name(s) of Signer(s))

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/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or 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.

T. L. Garner

Signature of Notary Public



(Notary Seal)

## ADDITIONAL OPTIONAL INFORMATION

<b>DESCRIPTION OF THE ATTACHED DOCUMENT</b> Exhibit "B" Reimbursement Agreement - attached to 140 KW Solar Generation Facility Memorandum of Understanding and Power Purchase Agreement (Title or description of attached document) between the Lancaster Power Authority and Morgan Solar, Inc.
(Title or description of attached document continued)
Number of Pages <u>17 w/cert</u> Document Date <u>7/29/2011</u>
Copy <u>3</u> of <u>3</u> (Additional Information)

### ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary T. L. GARNER

Date Commission Expires October 19, 2012

Notary Identification Number 1814464

Manufacturer/Vendor Identification Number ESI1

Place of execution of this Declaration Lancaster, CA

Date August 8, 2011

Signature T. L. Garner

### CAPACITY CLAIMED BY THE SIGNER:

- Individual (s)
- Corporate Officer

- Partner(s)  
(Title)
- Attorney-in-Fact
- Trustees

Other Executive Director,  
Lancaster Power Authority

**STAFF REPORT**  
**City of Lancaster**

PH 1
01/09/18
MVB

Date: January 9, 2018

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **TEFRA Hearing/Approval of Multifamily Housing Revenue Bonds for Kensington Campus Multifamily Residential Project**

---

**Recommendation:**

Adopt **Resolution No. 18-01**, pursuant to Section 147(f) of the Internal Revenue Code of 1986 approving the issuance of housing revenue bonds (the “Housing Revenue Bonds”) by the California Municipal Finance Authority (“CMFA”) in an aggregate principal amount not to exceed \$15,000,000 to assist in the financing of the acquisition, construction and development of a multifamily rental housing development to be known as Kensington Campus located at the proposed 32<sup>nd</sup> Street West and Avenue I, in the City of Lancaster, California (the “Project”).

**Financial Impact:**

There is no financial impact. The City itself is not issuing the Housing Revenue Bonds, is not obligated to repay the Housing Revenue Bonds and is not pledging or otherwise committing any of the City’s revenue or other assets to secure repayment of the Housing Revenue Bonds. The Housing Revenue Bonds are payable solely from revenue received pursuant to the terms and provisions of certain financing agreements to be executed by the developer.

**Background:**

InSite Development, LLC, a California limited liability company, or an affiliate thereof (“Borrower”) plans to finance the acquisition, construction and development of a multifamily rental housing development commonly known as Kensington Campus located at the proposed 32<sup>nd</sup> Street West and Avenue I, in the City of Lancaster, California.

The Borrower requests that the City approve CMFA’s issuance of the Housing Revenue Bonds in order to finance the above-mentioned project. The Housing Revenue Bonds will be tax-exempt private activity bonds for purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the area where the project to be financed is located. In order for the City to approve CMFA’s issuance of the Housing Revenue Bonds, the City must conduct a Tax Equity and Fiscal Responsibility Act (“TEFRA”) hearing to allow for public comment on the use of the tax-exempt bond financing. Notice of the TEFRA hearing was published in the Antelope Valley Press, a newspaper of general circulation in the community, on December 26, 2017 and January 2, 2018, and the public hearing is scheduled for January 9, 2018.

The City has a significant interest in the success of these projects. Therefore, staff recommends adoption of this resolution in order to approve CMFA's issuance of the Housing Revenue Bonds pursuant to Section 147(f) of the Internal Revenue Code of 1986. Adoption of this resolution does not establish or warrant in any manner the creditworthiness or repayment of the Housing Revenue Bonds.

**Attachment:**

Resolution No. 18-01



RESOLUTION NO. 18-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY TO FINANCE OR REFINANCE THE ACQUISITION, CONSTRUCTION, DEVELOPMENT, IMPROVEMENT AND EQUIPPING OF THE KENSINGTON CAMPUS PROJECT AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the California Municipal Finance Authority (the "Authority") is authorized pursuant to Title 1, Division 7, Chapter 5 of the California Government Code of California and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Lancaster, California (the "City"), to issue revenue bonds and other forms of indebtedness to promote economic development within the State of California; and

WHEREAS, InSite Development, LLC, a California limited liability company, or an affiliate thereof, such as a partnership consisting at least of InSite Development, LLC or a related person and one or more limited partners, (the "Borrower") has requested that the California Municipal Finance Authority participate in the issuance of one or more series of revenue bonds or notes issued from time to time, in an aggregate principal amount not to exceed \$15,000,000 (the "Bonds") for the acquisition, construction, development, improvement and equipping of a multifamily rental housing development to be known as Kensington Campus located at Avenue I and 32nd Street West, Lancaster, California (the "Project"), to be owned and operated by the Borrower; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because the Project is located within the territorial limits of the City; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code; and

WHEREAS, the Borrower has requested the issuance of the Bonds in order to effect savings in interest rate and/or issuance costs to effect significant public benefits pursuant to the Act; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, the Bonds are required to be approved by the “applicable elected representative” of the governmental unit on whose behalf the Bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by the Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, pursuant to Section 147(f) of the Code, reasonable public notice must include a description of all of the purposes of the Bonds, including the use of proceeds outside the jurisdiction of the City, and the resolution evidencing approval of the “applicable elected representative” must also describe all the purposes of the Bonds, but the approval of the City shall not constitute approval on behalf of any other jurisdiction with respect to the Bonds, who will consider the issuance of the Bonds independently of the City; and

WHEREAS, the members of the City Council are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City of Lancaster, a notice that a public hearing regarding the Bonds would be held on the date hereof; and

WHEREAS, such public hearing was conducted on this date by the City Council, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds and the Project required by Section 147(f) of the Code, as applicable, and Section 4 of the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER AS FOLLOWS:

Section 1. The foregoing resolutions are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority and the Project to be financed thereby. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

Section 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation, installation or operation of the Project; or (iii) make any contribution or advance any funds whatsoever to the Authority. The City shall not have any liability or responsibility for the issuance of the Bonds or payment of principal or interest on the Bonds, the Bonds shall not constitute an obligation or indebtedness of the City and the assets and revenues of the City are not being pledged as security for the payment of principal or interest on the Bonds.

Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 6. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED this 9<sup>th</sup> day of January, 2018, 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. 18-01, 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)

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**MEMORANDUM  
CITY OF LANCASTER, CA**

TO: City Council Members

FROM: Vice Mayor Marvin Crist

DATE: January 9, 2018

SUBJECT: **Report on the Activities of the Board of Directors for District No. 14 of the County Sanitation Districts of Los Angeles County**

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**Recommendation:**

Receive a report of the proceedings and issues discussed at the November 14<sup>th</sup>, 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 the November 14<sup>th</sup>, 2017 regular meeting:

- 1) Approved Minutes of the special meeting held on October 24<sup>th</sup>, 2017
- 2) Approved September 2017 Expenses in Total Amount of \$2,420,000

Local District Expenses:

Operations & Maintenance (O & M) \$1,184,000

Capital 1,015,000

District No. 14's Share of Allocated Expenses for O & M and Capital:

Joint Administration 92,000

Technical Support 129,000

Total Expenses \$2,420,000

- 3) Received and Ordered Filed a Report on the Emergency Repair of Switchboard 1G Building Electrical Bus Duct at Lancaster Water Reclamation Plant
- 4) Received Report on proposed legal audit plan

- 5) Re: Lease of Approximately 1,480 Acres of District Property at Lancaster Water Reclamation Plant (LWRP) Eastern Agricultural Site (EAS) with Calandri Farms, LLC (Calandri) for Agricultural Operations Using Groundwater:
  - a) Approved and Ordered Executed Documents for Groundwater and Land Lease Agreement and Authorized Chief Engineer and General Manager (Chief Engineer) to Take All Actions on Behalf of District Required by Agreement
  - b) Authorized Issuance of Purchase Order to Geoconsultants, Inc. in Amount of Approximately \$50,000 for Construction of Groundwater Wells
- 6) Adjourned meeting to Tuesday December 12, 2017