



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

Tuesday

June 12, 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, June 8, 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

Pastor John Meadors, Christian Life Assembly

PLEDGE OF ALLEGIANCE

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PRESENTATIONS

1. Presentation and Thank You from Tent Revival Committee to Lancaster City Council
Presenter: Tent Revival Committee

2. Mosquito Abatement Update
Presenter: Cei Kratz, District Manager, Antelope Valley Mosquito & Vector Control District

HOUSING AUTHORITY ACTIONS

HA CC 1. Authorize the award of Professional Services Agreements between the Lancaster Housing Authority Agency and Antelope Valley Engineering Incorporated to complete design plans for on-site and off-site improvements for affordable housing project on 15th Street West South of Avenue J in accordance with the 2016-2018 Multi-Year Professional Services Agreement, and authorize the Executive Director, or his designee, to execute the Professional Services Agreement and all attendant documents.

This project is being designed as four separate affordable housing projects on one site, independent living, assisted living, memory care, and skilled nursing, in addition to a restaurant for the residents and the public. The design of the on- and off- site improvements are being done separately as the housing projects must be approved by the California's Office of Statewide Health Planning and Development (OSHPD).

HA CC 2. Approve the Loan Agreement between the Lancaster Housing Authority and When Life Hands You Lemons, LP, a California Limited Partnership for the construction of the proposed Kensington Campus Multifamily Residential Project located at the proposed 32nd Street West and Avenue I.

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 assist the Authority to meet its 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).

MINUTES

M 1. Approve the City Council/Successor Agency/Financing/ Power/ California Choice Energy Authority Regular Meeting Minutes of May 22, 2018.

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CONSENT CALENDAR

SA CC 1. Adopt **Resolution No. SA 04-18**, approving the transfer of certain property to the City of Lancaster and making certain findings in connection therewith; authorize the Executive Director, or his designee, to execute all related documents.

The proposed purchase and sale agreements would dispose of vacant properties located at three sites throughout Lancaster in accordance with the Long-Range Property Management Plan approved in 2013. The affected properties include various parcels in the Front Row Center area, located adjacent to Cinemark 22 Theatres; an unimproved parcel located near the northeast corner of Avenue K-8 and 15th Street West; and a parcel located on the southwest corner of Avenue J and Beech Avenue.

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 May 6, 2018 through May 19, 2018 in the amount of \$3,582,859.32. Approve the Check Register as presented.

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

CC 3. Approve the transfer of funds for checks issued by the City for individual items less than fifteen dollars (\$15) which have remained unclaimed for the period of one year and the transfer of funds for checks issued by the City for individual items fifteen dollars (\$15) or greater which have remained unclaimed for the period of three years and have successfully completed the disposition procedures as outlined in the City Administrative Policy for Unclaimed and Uncashed Checks.

California Government Code sections 50050-50057 establish the rights and procedures related to unclaimed checks issued by local agencies and City Administrative policy 200-08 stipulates the proper accounting and disposition procedures for these unclaimed checks. The City is permitted to seize any individual items of less than fifteen dollars (\$15.00) which remain unclaimed in the treasury or in the official custody of the City for the period of at least 12 months by order of the Lancaster City Council without the necessity of publication of a notice in a newspaper.

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CC 4. Land Purchase

- a. Adopt **Resolution No. 18-25**, approving the purchase of certain properties and authorizing execution of a purchase and sale agreement or agreements in connection therewith.
- b. Appropriate \$2,000,000 from account number 101-2900-000, Fund Balance to account number 101-4540-912, Property Acquisition.

The proposed resolution would allow for the purchase of a handful of parcels identified as a priority for long-term development. Through this transaction, the City of Lancaster would gain control of the future of these properties, facilitating efforts to develop them over the long term.

CC 5. Approve Task Order No. 25 with Stantec Consulting Services, Inc., of Lancaster, California, in accordance with the 2016-2018 Multi-Year Professional Services Agreement in the amount of \$167,770.00, with a 10% contingency; and authorize the City Manager, or his designee, to sign all documents.

Design responsibilities, under this Task Order, include mapping and surveying; geometric layout, Civil Engineering, and Traffic Engineering; and preparation of plans, specifications and estimate (PS&E) package for construction. The firm shall also assist the City in processing approvals through Caltrans including, but not limited to, obtaining environmental clearance, right-of-way (ROW) certification, and construction authorization. Project will comply with the City's 2014 ADA Transition Plan, and will include design of 9 new curb ramps, 34,751 square feet of new meandering sidewalk, and 11,590 square feet of standard linear sidewalk.

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JOINT PUBLIC HEARING

JPH 1. Proposed Fiscal Year 2018-2019 Budgets and Five-Year Capital Improvement Program

City Council and City Council acting as Lancaster Housing Authority, Lancaster Choice Energy and Lancaster Power Authority Recommendation:

Conduct the public hearing and direct staff to schedule for June 26, 2018:

- a. Adoption of the Proposed Fiscal Year 2018-2019 Budget and Five-Year Capital Improvement Plan;
and
- b. Adjustments to the Citywide Fee Schedule

California Choice Energy Authority (CCEA) Recommendation:

Conduct the public hearing and direct City of Lancaster staff to schedule the CCEA Proposed Fiscal Year 2018-2019 Budget adoption for June 26, 2018.

The Proposed FY 2018-2019 Budget is balanced, with healthy General Fund Reserves that will enable the City to continue providing the community with a full scope of high quality municipal services, programs and special events that enhance the quality of life of all Lancaster residents. It will also provide the required resources to construct significant capital improvement projects that will improve infrastructure and facilities and beautify the community. The CCEA Proposed FY 2018-2019 Budget is balanced and totals \$4.4 million. The CCEA Proposed Budget projects increasing Reserves to a total of \$165,000 by the end of FY 2018-2019.

PUBLIC HEARINGS

PH 1. Lancaster Landscape Maintenance District No. 1 Levy of Annual Assessment for Fiscal Year 2018-2019

Recommendation:

Adopt **Resolution No. 18-26**, confirming the diagram and assessment and ordering the levying of an assessment in Lancaster Landscape Maintenance District No. 1 for Fiscal Year 2018-2019.

Lancaster Landscape Maintenance District No. 1 and Fox Field Industrial Corridor Landscape Maintenance District were formed, including subsequent annexations thereto, for the purpose of providing maintenance services to landscaping and appurtenant improvements for various developments within the City, and assessing those properties which benefit from this service. Each year, the City Council must, by law, order the preparation of an Engineer's Report describing the existing and proposed maintenance services, and conduct a public hearing to establish and order the amount of assessment for the next fiscal year.

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PH 2. Lancaster Lighting Maintenance District Levy of Annual Assessment for Fiscal Year 2018-2019

Recommendation:

Adopt **Resolution No. 18-27**, confirming the diagram and assessment, and ordering the levying of an assessment in Lancaster Lighting Maintenance District for Fiscal Year 2018-2019.

Lancaster Lighting Maintenance District was formed, including subsequent annexations thereto, for the purpose of financing maintenance operations and installation of public lighting facilities, including, but not limited to, traffic signals (as defined in § 22525 of the California Code) within the City of Lancaster, and assessing those properties which benefit from this service their proportionate share of the cost. Each year the City Council must, by law, order the preparation of an Engineer's Report describing the existing and proposed maintenance services, and conduct a public hearing to establish and order the amount of assessment for the next fiscal year.

PH 3. Lancaster Drainage Benefit Assessment District Levy of Annual Assessment for Fiscal Year 2018-2019

Recommendation:

Adopt **Resolution No. 18-28**, confirming the diagram and assessment, and ordering the levying of an assessment in Lancaster Drainage Benefit Assessment District for Fiscal Year 2018-2019.

The City Council previously formed the Lancaster Drainage Benefit Assessment District, including establishment of separate zones, and submitted the proposition to the eligible voters in each respective zone. The majority of voters approved the formation of the District, the separate zones, and the levying of the assessment. Each year, thereafter, the City Council, after public notice and hearing, may determine and impose an annual assessment.

PH 4. Multifamily Housing Revenue Bonds for Kensington II Multifamily Residential Project

Recommendation:

Adopt **Resolution No. 18-29**, 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 \$13,000,000 to assist in the financing of the acquisition, construction and development of a multifamily rental housing development to be known as Kensington II located at the proposed 32nd Street West and Avenue I, in the City of Lancaster, California (the "Project").

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.

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COUNCIL AGENDA

CA 1. Discussion and possible nominations/appointments of Council Members to the following positions:

- Vice Mayor - One Appointee
- Edwards Air Force Base Restoration Advisory Board - two appointees
- Antelope Valley Transit Authority - two appointees
- Antelope Valley Air Quality Management District - two appointees
- Southern California Association of Governments - one appointee
- North County Transportation Coalition - three appointees
- Antelope Valley Fair Authority JPA - two appointees
- The Visitors Bureau of Lancaster - one appointee
- Lancaster Housing Authority - five appointees
- Southern California Regional Airport Authority - one appointee
- Audit Representative - one appointee
- Antelope Valley Mosquito Abatement – one appointee
- California Contract Cities Association – one appointee and one appointed alternate
- League of CA Cities Voting Delegate – one Delegate required, up to two alternates

Presenter: Mayor Parris

COUNCIL REPORTS

CR 1. Council Reports

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

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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

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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. Adams v. Thomas, LASC MC 027683
12. Parker v. Lancaster, LASC MC 027827
13. 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, June 26, 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
06/12/18
MVB

Date: June 12, 2018

To: Chair Szeto and Authority Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Multi-Year Professional Services Agreements (Service Group Category 1 – Roadway and Structures Engineering) between the Lancaster Housing Authority and Antelope Valley Engineering Incorporated**

Recommendation:

Authorize the award of Professional Services Agreements between the Lancaster Housing Authority Agency and Antelope Valley Engineering Incorporated to complete design plans for on-site and off-site improvements for affordable housing project on 15th Street West South of Avenue J in accordance with the 2016-2018 Multi-Year Professional Services Agreement, and authorize the Executive Director, or his designee, to execute the Professional Services Agreement and all attendant documents.

Fiscal Impact:

Funding for the on-site design plans in the amount of \$75,500 and off-site design plans in the amount of \$72,500 will come from the Lancaster Housing Authority's Low- and Moderate-Income Housing Fund. Appropriations for on-site and off-site plans will be presented for adoption with the proposed fiscal year 18/19 budget.

Background:

Pursuant to the Community Redevelopment Law and Housing Authorities Law, housing authorities throughout the State of California are required to provide affordable housing to families of various ages and income levels within in their respective communities. Affordability covenants are recorded on the property for fifty-five years for multi-family apartment complexes, which means the multi-family apartment complex and must remain affordable for 55 years.

On-site plans are for within the buildings and lots being sold that increase the value of the properties to the end user. Off-site plans are for access roads, sidewalks and curbs, sewers, and utility lines that (unlike on-site improvements) are off the land being developed, or the lots being sold, but which add value to the entire development.

The project's on-site and off-site plans will not be designed concurrently, hence there are two agreements between the civil engineer, Antelope Valley Engineering Incorporated and the developer, Lancaster Housing Authority.

The project is being designed as four separate affordable housing projects on one site, independent living, assisted living, memory care, and skilled nursing, in addition to a restaurant for the residents and the public. The design of the on- and off- site improvements are being done separately as the housing projects must be approved by the California's Office of Statewide Health Planning and Development (OSHPD).

Staff recommends entering into a Professional Services Agreement with Antelope Valley Engineering Incorporated and the Lancaster Housing Authority to complete design plans for on-site and off-site improvements for the affordable housing project on 15th Street West South of Avenue J.

Attachments:

On-site Professional Services Agreement
Off-site Professional Services Agreement

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES (“Agreement”) is made and entered into this ____ day of _____, 2018, by and between the CITY OF LANCASTER, a municipal corporation and charter city, (the “City”), and Antelope Valley Engineering, Inc., a California corporation (the “Consultant”).

RECITALS

WHEREAS, the City desires to engage Consultant to perform certain technical and professional services, as provided herein, identified as:

**MASTER PLAN COMMUNITY DEVELOPMENT
HNR-2 (MEDICAL MAIN ST) AGREEMENT #2 ON-SITE IMPROVEMENTS**

WHEREAS, the principal members of Consultant are qualified and duly registered/licensed under the laws of the State of California, and Consultant desires to accept such engagement;

NOW, THEREFORE, the parties agree as follows:

1. **Parties to the Agreement.**

The parties to this Agreement are:

- A. CITY: City of Lancaster.
- B. CONSULTANT: Antelope Valley Engineering, Inc.

2. **Notices.** All written notices required by or related to this Agreement shall be sent by Certified Mail, Return Receipt Requested, postage prepaid and addressed as listed below. Neither party to this Agreement shall refuse to accept such mail; parties to this Agreement shall promptly inform the other party of any changes of address. All notices required by this Agreement are effective on the day of receipt, unless otherwise indicated herein.

OWNER Elizabeth Brubaker, Director, Housing & Neighborhood Revitalization
City of Lancaster
44933 Fern Avenue
Lancaster, California 93534

CONSULTANT Barry S. Munz, Vice President
Antelope Valley Engineering, Inc.
129 West Pondera Street
Lancaster, CA 93534

3. **Successors and Assigns.** The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no party hereto shall assign any of the benefits and burdens hereunder, whether voluntarily or by operation of law, without prior written consent of the other party, and any such assignments without said consent shall be void.

4. **Incorporation by Reference.** The Consultant's Proposal is hereby incorporated in and made a part of this Agreement as Exhibit A. CONSULTANT agrees to comply with all of the requirements set forth therein.

5. **Precedence of Agreement Documents.** If there is a conflict between Agreement documents, the document highest in precedence shall control. The precedence shall be:

- First: This Agreement
- Second: The Consultant's Proposal

6. **Description of Work.** The City hereby engages Consultant, and Consultant accepts such engagement, to perform the technical and professional Services set forth in the "Scope of Services" attached hereto as Exhibit "A". Consultant shall perform and complete, in a manner satisfactory to the City, all work and services set forth in Exhibit "A". The Director of Housing & Neighborhood Revitalization ("Director") or her designee shall have the right to review and inspect the work during the course of its performance at such times as may be specified by the Director, or her designee.

7. **Obligations of the City.**

A. The total compensation to be paid by the City to Consultant for all Services described in Exhibit "A" is not to exceed \$75,500.00. Consultant's fees and charges for the Services performed shall in no event exceed those set forth in Exhibit "A" attached hereto and made a part hereof.

B. No payment made hereunder by the City to Consultant, other than the final payment, shall be construed as an acceptance by the City of any work or materials, nor as evidence of satisfactory performance by Consultant of its obligations under this Agreement.

8. **Obligations of the Consultant.**

A. Consultant shall perform as required by this Agreement. Consultant also warrants on behalf of itself and all subcontractors engaged for the performance of this Agreement.

B. Consultant shall be responsible for payment of all employees' and subcontractor's wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

9. **Audit.** The City shall have the option of inspecting and/or auditing all records and other written materials used by Consultant in preparing its statements to the City as a condition precedent to any payment to Consultant.

10. **Hold Harmless and Indemnification.** Consultant (for purposes of this section, "Indemnitor") agrees to indemnify and hold harmless the City, its elected officials, officers and employees (collectively, for purposes of this section, "Indemnitee"), from and against any and all claims, losses, obligations, or liabilities whatsoever, including reasonable Attorney's fees, incurred in or in any manner arising out of or related to, and to the extent of, Consultant's negligent or willful wrongful acts, errors or omissions, or those of its employees or agents. Consultant agrees to defend the City, its elected officials, officers and employees, from and against any and all claims arising from any alleged negligent

or wrongful acts, errors or omissions on the part of Consultant or on the part of its employees. Notwithstanding other provisions of this Agreement, in the event of a claim within the purview of any indemnification, the Indemnitee will control its own defense, and at the time of claim resolution the Indemnitor will provide reimbursement for those defense costs caused by any negligence, willful wrongful acts, errors or omissions by or attributable to the Indemnitor.

11. **Amendments.** Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon mutual written approval by the Director and Consultant.

12. **Non-Discrimination and Equal Employment Opportunity.**

A. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.

B. The provisions of subsection A above shall be included in all solicitations or advertisements placed by or on behalf of Consultant for personnel to perform any services under this Agreement. The City shall have access to all documents, data and records of Consultant and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section.

13. **Term; Effective Date.** This Agreement shall become effective and shall be in full force and effect upon the execution of the Agreement by the City and Consultant. This Agreement shall continue in full force and effect for twenty-four (24) months, unless the Agreement is sooner terminated in accordance with this Agreement; provided, however, that the City and Consultant may mutually agree in writing to extend the Term of this Agreement.

14. **Termination.**

A. For Convenience. The City may terminate this Agreement at any time without cause by giving thirty (30) days written notice to the other party of such termination and specifying the effective date thereof.

B. For Cause. If Consultant fails to perform the services called for by this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, Consultant shall correct such failure within ten (10) days (or such longer period that the City may authorize in writing) after receipt of notice from the City specifying such failure. Should the failure not be corrected within this time period, the City may immediately terminate the Agreement by written notice to Consultant.

C. In the event of termination of this Agreement, whether for convenience or cause, Consultant will be paid for work completed through the date of termination within thirty (30) days following submittal of a final invoice. Reports, plans, studies and other documents related to the Services that have been delivered to the City shall become the City's property.

15. **Independent Contractor.** Consultant is an independent contractor and shall have no power or authority to incur any debt, obligation or liability on behalf of the City. It is expressly understood between the parties to this Agreement that no employee/employer relationship is intended; Consultant is an independent contractor.

16. **Insurance.**

A. (1) The Consultant, 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:

Commercial General Liability

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

Commercial Automobile Liability

Combined Single Limit per Accident for Bodily Injury and Property Damage	\$1,000,000
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Workers Compensation

As Required by the State of California	Statutory Limits
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Employer's Liability

Each Accident	\$1,000,000
Bodily Injury by Disease	\$1,000,000
Each Employee	\$1,000,000

Professional Liability

Each Occurrence	\$1,000,000
General Aggregate	\$1,000,000

B. For General Liability insurance shall be at least as broad as ISO form CG2010 11/85 or CG2010 07/04 and CG2037 07/04 combined, or an equivalent providing ongoing and completed operations. Commercial Auto coverage shall be at least as broad as ISO form CA00 01.

C. 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.

D. 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.

E. Any deductibles or self-insurance retentions must be declared and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City insured entities or the insurer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

F. All insurance shall be primary and non-contributory as respects the City insured entities. Any insurance or self-insurance maintained by the City insured entities shall be in excess of the Consultant's insurance and shall not contribute with it.

G. The coverage provided under this Agreement shall not contain any special limitations on the scope of protection afforded to the City insured entities.

H. 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.

I. 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 City insured entities arising out of any acts or omissions of Consultant or its officers, employees, or agents during the time this Agreement was in effect.

J. Consultant shall furnish the City with Certificates of Insurance and with original endorsements effecting coverage required by this Agreement. The certificates 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 City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

K. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City insured entities.

L. Certificates of Insurance must be deposited with the City for all coverage required by this Agreement. Certificates shall meet the following requirements:

(1) Show that the insurance policy has been endorsed to state that coverage shall not be cancelled except after 30 days prior written notice (10 days written notice for non-payment) by Certified Mail, return receipt requested to the City.

(2) List in the "Descriptions of Operations/Locations/Vehicles/Special Items" section:

HNR-2 (MEDICAL MAIN ST) AGREEMENT #1 FINAL MAP

City of Lancaster, its elected officials, officers, employees and volunteers are included as additional covered parties, but only insofar as the operations under this contract are concerned.

(3) List in the "Certificate Holder" section:

The City of Lancaster, 44933 Fern Avenue, Lancaster, California 93534.

M. 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.

N. 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 OWNER'S insured entities.

17. **Commencement and Completion of Work.** The execution of this Agreement by the parties does not constitute an authorization to proceed. The services of Consultant shall commence when the City, acting by and through its Director or her designee, has issued the Notice to Proceed.

18. **Extension of Time for Completion of Work.**

A. If, at any time, the work is delayed due to suspension order by the City, or due to any other cause which, in the reasonable opinion of the City, is unforeseeable and beyond the control and not attributable to the fault or negligence of Consultant, then Consultant shall be entitled to an extension of time equal to said delay, subject to the City's right to terminate this Agreement pursuant to Section 14.

B. Consultant shall submit to the City a written request for an extension of time within ten (10) days after commencement of such delay, and failure to do so shall constitute a waiver thereof. The City shall, in its sole discretion, determine whether and to what extent any extensions of time shall be permitted.

C. No extension of time requested or granted hereunder shall entitle Consultant to additional compensation unless, as a consequence of such extension, additional work must be performed. In such event, the City shall in good faith consider any request for additional compensation submitted by Consultant.

19. **Ownership of Documents.** All plans, specifications, reports, studies, tracings, maps and other documents prepared or obtained by Consultant in the course of performing the work required by this Agreement shall be the property of the City. Basic survey notes, sketches, charts, computations and similar data prepared or obtained by Consultant under this Agreement shall, upon request, be made available to the City without restriction or limitation on their use.

20. **Data Provided to Consultant.** The City shall provide to Consultant, without charge, all data, including reports, records, maps and other information, now in the City's possession which may facilitate the timely performance of the work described in Exhibit "A".

21. Consultant's Warranties and Representations.

Consultant warrants and represents to the City as follows:

A. Consultant has not employed or retained any person or entity, other than a bona fide employee working exclusively for Consultant, to solicit or obtain this Agreement.

B. Consultant has not paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Consultant, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the execution of this Agreement. Upon any breach or violation of this warranty, the City shall have the right, in its sole discretion, to terminate this Agreement without further liability, or, in the alternative, to deduct from any sums payable hereunder the full amount or value of any such fee, commission, percentage or gift.

C. Consultant has no knowledge that any officer or employee of the City has any interest, whether contractual, noncontractual, financial, proprietary, or otherwise, in this transaction or in the business of the Consultant, and that if any such interest comes to the knowledge of Consultant at any time, a complete written disclosure of such interest will be made to the City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws.

D. Upon the execution of this Agreement, Consultant has no interest, direct or indirect, in any transaction or business entity which would conflict with or in any manner hinder the performance of services and work required by this Agreement, nor shall any such interest be acquired during the term of this Agreement.

22. Resolution of Disputes.

A. Disputes regarding the interpretation or application of any provisions of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

B. If the parties cannot resolve the dispute through good faith negotiations, either party may give Notice of Dispute to the other party. The Notice of Dispute shall state the nature of the dispute and the corrective action necessary to remedy the dispute.

After Notice of Dispute, the parties shall first attempt to resolve any disputes by mediation. The parties shall agree on a single mediator. Mediation shall be conducted in Lancaster, California. Each party shall pay its own attorneys' fees and the costs of mediation shall be split equally between the parties.

If the dispute has not been resolved by mediation within 45 days after Notice of Dispute, or the parties are unable to agree to a mediator, within 15 days after Notice of Dispute, then, the dispute may, upon agreement of the parties be resolved by binding arbitration.

C. If any action at law or in equity is brought to enforce or interpret any provisions of this AGREEMENT, the prevailing party in such action shall be entitled to reasonable attorney's fees, cost and necessary disbursements, in addition to such other relief as may be sought and awarded.

23. **Exhibits.**

The following exhibits to which reference is made in this Agreement are deemed incorporated herein in their entirety:

Exhibit "A" Scope of Services and Rate Schedule

24. **Governing Law.**

This Agreement shall be governed by the laws of the State of California.

25. **Effective Date.**

This Agreement shall become effective as of the date set forth below on which the last of the parties, whether the City or Consultant, executes said Agreement.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized.

CITY OF LANCASTER
LANCASTER, CALIFORNIA

Approved By Department Head:

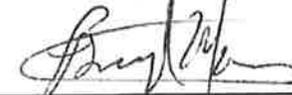
By: 
Elizabeth Brubaker, Director

Dated: 3/27/18

By: _____
Mark V. Bozigan, City Manager

Dated: _____

"CONSULTANT"
Antelope Valley Engineering, Inc.

By: 
Barry S. Munz, Vice President

Dated: 3/26/18

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

The Consultant shall maintain separate costs for each project and shall identify the costs specific to each project.

The work to be performed under this contract shall include:

SEE ATTACHED

EXHIBIT "A"



ESTIMATED "SCOPE OF WORK" AND "BASIS OF FEE"

**CITY OF LANCASTER
HNR-2 (MEDICAL MAIN STREET)
AGREEMENT #2 ON-SITE IMPROVEMENTS
LANCASTER, CA**

MARCH 14, 2018

ON-SITE IMPROVEMENT PLANS

- | | | |
|----|--|--------------------|
| I. | GRADING PLAN | \$27,500.00 |
| A. | VERTICAL CONTROL GRADES AND ELEVATIONS FOR CURBS, GUTTERS, DRAINAGE FACILITIES, ETC. | |
| B. | PAD AND FINISHED FLOOR ELEVATIONS, AS APPLICABLE | |
| C. | CROSS-SECTIONS OF SITE | |
| D. | ON-SITE CONSTRUCTION DETAILS | |
| E. | REMEDIAL EARTHWORK (OVER EXCAVATION) | |
| F. | GENERAL AND CONSTRUCTION NOTES, ETC. | |
| G. | FENCING AND WALLS, AS APPLICABLE | |
| H. | ENLARGED PLANS, AS NEEDED | |
| | 1. COURTYARD AREAS | |
| | 2. TRASH ENCLOSURES | |
| I. | PAVING PLAN | |
| J. | DEMOLITION PLAN | |

129 West Pondera Street • Lancaster, California 93534 • (661) 948-0805 • (661) 945-8170

L18-022

II.	STORM WATER POLLUTION PREVENTION PLANS (SWPPP)	\$ 4,500.00
	A. BMP'S FOR CONSTRUCTION ACTIVITIES	
	B. NOTICE OF INTENT (NOI)	
	C. POST-CONSTRUCTION STORM WATER MITIGATION	
	1. WATER QUALITY UNIT(S), IF REQUIRED	
	D. ELECTRONIC UPLOADS TO STATE	
III.	ON-SITE WATER PLAN	\$ 2,500.00
	A. WATER MAINS /LATERALS FROM STREET TO BUILDINGS	
	B. METERS & BACKFLOW PREVENTERS ON 15 TH ST WEST	
	1. DOMESTIC AND IRRIGATION WATER, AS APPLICABLE	
	C. CONSTRUCTION AND GENERAL NOTES	
	D. CROSSING DETAILS AND INFORMATION	
IV.	ON-SITE SEWER PLAN	\$ 3,000.00
	A. MAINS LATERALS FROM PUBLIC MAIN TO BUILDING POC'S	
	B. ELEVATIONS AND GRADES	
	C. CONSTRUCTION AND GENERAL NOTES	
	<u>NOTE:</u> INTERCEPTORS/CLARIFIERS BY OTHERS	
V.	EROSION CONTROL PLAN (FOR RAINY SEASON), IF REQUIRED	\$ 1,500.00
	A. SAND BAG LAYOUT & CITY NOTES	
VI.	ON-SITE STORM DRAIN SYSTEM	\$ 9,500.00
	A. MAINS & LATERAL LAYOUT	
	1. ELEVATIONS & GRADES	
	2. CLEANOUTS, FITTINGS, ETC.	
	B. PROVISIONS FOR COURTYARD DRAINAGE	
	1. AREA DRAINS	

C.	WATER QUALITY UNIT(S) OR FILTERS	
1.	1 ST FLUSH MITIGATION	
D.	CONNECTION(S) TO PUBLIC SYSTEM FOR OUTLET	
E.	CATCH BASINS	
VII.	ON-SITE FIRE PROTECTION PLAN	\$ 7,250.00
A.	ON-SITE MAINS & LATERALS (LOOPED SYSTEM)	
B.	ON-SITE FIRE HYDRANTS	
C.	FIRE DEPARTMENT CONNECTION, POST INDICATOR VALVES, ETC.	
1.	DETAILS	
D.	VERBATIM NOTES	
E.	ENLARGED PLANS AND CROSSING INFO & DETAILS	
F.	HYDRAULIC CALCULATIONS	
VIII.	MISCELLANEOUS	
A.	FIRE DEPARTMENT ACCESS AND HYDRANT LOCATION PLAN	\$ 1,500.00
B.	UPLOAD PLANS/DOCUMENTS FOR REVIEW PROCESS	\$ 750.00
C.	EARTHWORK CALCULATIONS	\$ 2,750.00
D.	DRAINAGE STUDY (ON-SITE ONLY)	\$ 4,750.00
1.	Q25/Q50 STORM RUNOFF, AS REQUIRED	
2.	¼" FIRST FLUSH FOR STORM WATER MITIGATION	
a)	WATER QUALITY UNIT(S)	
3.	SIZING FACILITIES (CATCH BASINS, MAINS, LATERALS, ETC.)	
a)	ON-SITE DRAIN SYSTEM	

E.	LEGAL DOCUMENTS	\$ 4,000.00
	I. EXHIBITS FOR RECIPROCAL ACCESS AND UTILITIES AGREEMENT, AS REQUIRED	
	NOTE: CURRENT PRELIMINARY TITLE REPORT AND APPROPRIATE OWNERSHIP DOCUMENTS TO BE PROVIDED BY CLIENT OR OTHERS	
IX.	MISC. MEETINGS, CONSULTATION, CORRESPONDENCE AND COORDINATION; PLAN SUBMITTALS AND PROCESSING, ETC.	\$ 6,000.00
	A. CLIENT	
	B. OTHER CONSULTANTS	
	C. ARCHITECT	
	D. CITY STAFF	
	E. COUNTY AGENCIES (FIRE DEPARTMENT, WATER DISTRICT, ETC.)	
	F. UTILITY COMPANIES	
	ON-SITE IMPROVEMENT PLANS SUBTOTAL:	\$ 75,500.00

EXTRA WORK

ADDITIONAL SERVICES, NOT DESCRIBED ABOVE AND EXCLUDED FROM THIS PROPOSAL, WILL BE CONSIDERED AS EXTRA WORK AND BILLED ON A TIME AND MATERIAL BASIS PER OUR RAISED FOR PROFESSIONAL SERVICES IN 2018, ATTACHED. SERVICES MAY INCLUDE BUT ARE NOT LIMITED TO:

1. LANDSCAPE/IRRIGATION DRAWINGS AND SPECIFICATIONS
2. CONSTRUCTION SURVEY, TESTING, STUDIES, AND INSPECTION SERVICES
3. DRY UTILITY COMPANY PLANS AND EASEMENT PREPARATION
 - A. SERVICES OF A DRY UTILITY CONSULTANT
4. CONSTRUCTION COST ESTIMATES OTHER THAN CITY BOND ESTIMATE
5. REPRODUCTIONS OTHER THAN FOR AGENCY SUBMITTALS AND APPROVALS
6. LEGAL DOCUMENTS OTHER THAN SPECIFICALLY INCLUDED ABOVE
7. DUST CONTROL PLANS (AVAQMD)

8. RETAINING WALL CALCULATIONS & DETAILS
9. GEOTECHNICAL ENGINEERING REPORT
10. CONSTRUCTION ADMINISTRATION/MANAGEMENT SERVICES
 - A. GRADING CERTIFICATIONS
 1. ROUGH GRADING
 2. FINAL GRADING
 - B. CHANGE ORDERS
 - C. RFI & SUBMITTAL REVIEWS
 - D. SITE VISITS, COORDINATION MEETINGS, ETC.
 - E. QSP (QUALIFIED SWPPP PRACTITIONER) SERVICES
 - F. RECORD DRAWINGS
11. FINAL SUBDIVISION MAP
12. OFF-SITE IMPROVEMENT PLANS (I.E. STREET, STREET LIGHTING, STORM DRAIN, SEWER, WATER, ETC.)
13. TRAFFIC SIGNAL MODIFICATION OF TRAFFIC CONTROL PLANS.
14. CHANGES TO SCOPE OF WORK OR PLANS AS REQUESTED BY CLIENT, TENANT, OR CONTRACTOR. **ANY CHANGES WILL BE DIRECTED BY CLIENT IN WRITTEN FORM.** ANTELOPE VALLEY ENGINEERING WILL VERIFY APPROVAL OF THESE CHANGES AND ALL ASSOCIATED FEES PRIOR TO COMMENCEMENT OF CHANGES.



EXHIBIT "B"

RATES FOR PROFESSIONAL SERVICES IN 2018 ARE AS FOLLOWS:

\$190 PER HOUR FOR SERVICES OF PRINCIPAL ENGINEER
\$140 PER HOUR FOR SERVICES OF PROJECT ARCHITECT
\$130 PER HOUR FOR SERVICES OF PROJECT ENGINEER/SURVEYOR
\$125 PER HOUR FOR SERVICES OF PROJECT MANAGER
\$110 PER HOUR FOR SERVICES OF SENIOR DESIGNER
\$ 90 PER HOUR FOR SERVICES OF ENGINEERING TECHNICIAN
\$ 80 PER HOUR FOR SERVICES OF DESIGN TECHNICIAN
\$ 70 PER HOUR FOR SERVICES OF DRAFTING TECHNICIAN
\$ 60 PER HOUR FOR SERVICES OF ADMINISTRATIVE SECRETARY
\$ 50 PER HOUR FOR SERVICES OF TYPIST/RECEPTIONIST
\$350 PER HOUR FOR SERVICES OF EXPERT WITNESS

SURVEY CREW:

\$140 PER HOUR FOR SERVICES OF 1-MAN FIELD CREW
\$225 PER HOUR FOR SERVICES OF 2-MAN FIELD CREW
\$250 PER HOUR PREVAILING WAGE FOR 2-MAN FIELD CREW
\$275 PER HOUR FOR SERVICES OF 3-MAN FIELD CREW
\$310 PER HOUR PREVAILING WAGE FOR 3-MAN FIELD CREW

SUB-CONSULTANTS @ COST PLUS 15% OR AS NEGOTIATED

PRINTS (BOND)

24 x 36 \$5.00 PER SHEET
30 x 42 \$6.00 PER SHEET
36 X 48 \$7.00 PER SHEET

MISCELLANEOUS

\$0.25 PER SHEET FOR COPIES
\$0.60 PER MILE FOR MILEAGE

ELECTRONIC FILES ON DISK OR E-MAILED BILLED AT HOURLY RATE

**NOTE: TIME SPENT IN EXCESS OF 8 HOURS A DAY OR ON WEEKENDS
WILL BE CHARGED OVERTIME AS FOLLOWS:**

1.5 TIMES THE REGULAR RATE FOR WEEKDAYS IN EXCESS OF
8.0 HOURS PER DAY OR FOR 8.0 HOURS PER DAY ON WEEKENDS

2.0 TIMES THE REGULAR RATE FOR TIME ON WEEKEND IN
EXCESS OF 8.0 HOURS PER DAY OR ON HOLIDAYS

EFFECTIVE DECEMBER 1, 2017

EXHIBIT "B"

TERM, PAYMENT AND TIME FOR COMMENCEMENT AND COMPLETION CLAUSE

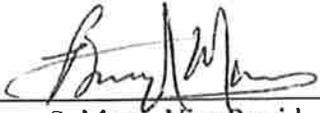
Term. This Agreement shall become effective and shall be in full force and effect upon the execution of the Agreement by the City and the CONSULTANT. This Agreement shall continue in full force and effect for a period of **two (2) years** from the effective date of the Agreement (the "Term), unless the Agreement is sooner terminated in accordance with the Terms and Conditions in the Agreement; provided, however, that the City and the CONSULTANT may mutually agree in writing to extend the Term of this Agreement.

Payment. The City of Lancaster shall reimburse the CONSULTANT for actual costs, including labor costs and employee benefits incurred by the CONSULTANT in performance of the work, in an amount not to exceed \$75,500.00. Actual costs shall not exceed the estimated wage rates and other costs as set forth in this Agreement. Source documentation supporting billed costs must be submitted with invoice. CONSULTANT shall provide a cost breakdown with hourly rates for each office and field function in the event that additional work is required beyond the not to exceed fee specified above. Any additional work will require a separate Authorization for Consultant Services signed by both parties.

Consultant shall not be reimbursed for actual travel expenses incurred in the performance of the work.

Time for Commencement and Completion

CONSULTANT shall commence performance of the work no later than **five (5) days** following execution of this Agreement. It is anticipated that performance of the work will be completed within **two (2) years** from commencement. In no event shall performance of the work be completed later than **two (2) years** from commencement, **without the prior written authorization of the City**. If Consultant fails to complete the work in this time period, City may avail itself of any and all remedies provided for in this Agreement.



Barry S. Munz, Vice Resident
Antelope Valley Engineering, Inc.

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES ("Agreement") is made and entered into this 26 day of March, 2018, by and between the CITY OF LANCASTER, a municipal corporation and charter city, (the "City"), and Antelope Valley Engineering, Inc., a California corporation (the "Consultant").

RECITALS

WHEREAS, the City desires to engage Consultant to perform certain technical and professional services, as provided herein, identified as:

**MASTER PLAN COMMUNITY DEVELOPMENT
HNR-2 (MEDICAL MAIN ST) AGREEMENT #3 OFF-SITE IMPROVEMENTS**

WHEREAS, the principal members of Consultant are qualified and duly registered/licensed under the laws of the State of California, and Consultant desires to accept such engagement;

NOW, THEREFORE, the parties agree as follows:

1. **Parties to the Agreement.**

The parties to this Agreement are:

- A. CITY: City of Lancaster.
- B. CONSULTANT: Antelope Valley Engineering, Inc.

2. **Notices.** All written notices required by or related to this Agreement shall be sent by Certified Mail, Return Receipt Requested, postage prepaid and addressed as listed below. Neither party to this Agreement shall refuse to accept such mail; parties to this Agreement shall promptly inform the other party of any changes of address. All notices required by this Agreement are effective on the day of receipt, unless otherwise indicated herein.

OWNER Elizabeth Brubaker, Director, Housing & Neighborhood Revitalization
City of Lancaster
44933 Fern Avenue
Lancaster, California 93534

CONSULTANT Barry S. Munz, Vice President
Antelope Valley Engineering, Inc.
129 West Pondera Street
Lancaster, CA 93534

3. **Successors and Assigns.** The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no party hereto shall assign any of the benefits and burdens hereunder, whether voluntarily or by operation of law, without prior written consent of the other party, and any such assignments without said consent shall be void.

4. **Incorporation by Reference.** The Consultant's Proposal is hereby incorporated in and made a part of this Agreement as Exhibit A. CONSULTANT agrees to comply with all of the requirements set forth therein.

5. **Precedence of Agreement Documents.** If there is a conflict between Agreement documents, the document highest in precedence shall control. The precedence shall be:

- First: This Agreement
- Second: The Consultant's Proposal

6. **Description of Work.** The City hereby engages Consultant, and Consultant accepts such engagement, to perform the technical and professional Services set forth in the "Scope of Services" attached hereto as Exhibit "A". Consultant shall perform and complete, in a manner satisfactory to the City, all work and services set forth in Exhibit "A". The Director of Housing & Neighborhood Revitalization ("Director") or her designee shall have the right to review and inspect the work during the course of its performance at such times as may be specified by the Director, or her designee.

7. **Obligations of the City.**

A. The total compensation to be paid by the City to Consultant for all Services described in Exhibit "A" is not to exceed \$72,500.00. Consultant's fees and charges for the Services performed shall in no event exceed those set forth in Exhibit "A" attached hereto and made a part hereof.

B. No payment made hereunder by the City to Consultant, other than the final payment, shall be construed as an acceptance by the City of any work or materials, nor as evidence of satisfactory performance by Consultant of its obligations under this Agreement.

8. **Obligations of the Consultant.**

A. Consultant shall perform as required by this Agreement. Consultant also warrants on behalf of itself and all subcontractors engaged for the performance of this Agreement.

B. Consultant shall be responsible for payment of all employees' and subcontractor's wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

9. **Audit.** The City shall have the option of inspecting and/or auditing all records and other written materials used by Consultant in preparing its statements to the City as a condition precedent to any payment to Consultant.

10. **Hold Harmless and Indemnification.** Consultant (for purposes of this section, "Indemnitor") agrees to indemnify and hold harmless the City, its elected officials, officers and employees (collectively, for purposes of this section, "Indemnitee"), from and against any and all claims, losses, obligations, or liabilities whatsoever, including reasonable Attorney's fees, incurred in or in any manner arising out of or related to, and to the extent of, Consultant's negligent or willful wrongful acts, errors or omissions, or those of its employees or agents. Consultant agrees to defend the City, its elected officials, officers and employees, from and against any and all claims arising from any alleged negligent

or wrongful acts, errors or omissions on the part of Consultant or on the part of its employees. Notwithstanding other provisions of this Agreement, in the event of a claim within the purview of any indemnification, the Indemnitee will control its own defense, and at the time of claim resolution the Indemnitor will provide reimbursement for those defense costs caused by any negligence, willful wrongful acts, errors or omissions by or attributable to the Indemnitor.

11. **Amendments.** Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon mutual written approval by the Director and Consultant.

12. **Non-Discrimination and Equal Employment Opportunity.**

A. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.

B. The provisions of subsection A above shall be included in all solicitations or advertisements placed by or on behalf of Consultant for personnel to perform any services under this Agreement. The City shall have access to all documents, data and records of Consultant and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section.

13. **Term; Effective Date.** This Agreement shall become effective and shall be in full force and effect upon the execution of the Agreement by the City and Consultant. This Agreement shall continue in full force and effect for twenty-four (24) months, unless the Agreement is sooner terminated in accordance with this Agreement; provided, however, that the City and Consultant may mutually agree in writing to extend the Term of this Agreement.

14. **Termination.**

A. For Convenience. The City may terminate this Agreement at any time without cause by giving thirty (30) days written notice to the other party of such termination and specifying the effective date thereof.

B. For Cause. If Consultant fails to perform the services called for by this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, Consultant shall correct such failure within ten (10) days (or such longer period that the City may authorize in writing) after receipt of notice from the City specifying such failure. Should the failure not be corrected within this time period, the City may immediately terminate the Agreement by written notice to Consultant.

C. In the event of termination of this Agreement, whether for convenience or cause, Consultant will be paid for work completed through the date of termination within thirty (30) days following submittal of a final invoice. Reports, plans, studies and other documents related to the Services that have been delivered to the City shall become the City's property.

15. **Independent Contractor.** Consultant is an independent contractor and shall have no power or authority to incur any debt, obligation or liability on behalf of the City. It is expressly understood between the parties to this Agreement that no employee/employer relationship is intended; Consultant is an independent contractor.

16. **Insurance.**

A. (1) The Consultant, 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:

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

B. For General Liability insurance shall be at least as broad as ISO form CG2010 11/85 or CG2010 07/04 and CG2037 07/04 combined, or an equivalent providing ongoing and completed operations. Commercial Auto coverage shall be at least as broad as ISO form CA00 01.

C. 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.

D. 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.

E. Any deductibles or self-insurance retentions must be declared and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City insured entities or the insurer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

F. All insurance shall be primary and non-contributory as respects the City insured entities. Any insurance or self-insurance maintained by the City insured entities shall be in excess of the Consultant's insurance and shall not contribute with it.

G. The coverage provided under this Agreement shall not contain any special limitations on the scope of protection afforded to the City insured entities.

H. 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.

I. 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 City insured entities arising out of any acts or omissions of Consultant or its officers, employees, or agents during the time this Agreement was in effect.

J. Consultant shall furnish the City with Certificates of Insurance and with original endorsements effecting coverage required by this Agreement. The certificates 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 City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

K. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City insured entities.

L. Certificates of Insurance must be deposited with the City for all coverage required by this Agreement. Certificates shall meet the following requirements:

(1) Show that the insurance policy has been endorsed to state that coverage shall not be cancelled except after 30 days prior written notice (10 days written notice for non-payment) by Certified Mail, return receipt requested to the City.

(2) List in the "Descriptions of Operations/Locations/Vehicles/Special Items" section:

HNR-2 (MEDICAL MAIN ST) AGREEMENT #3 OFF-SITE IMPROVEMENTS

City of Lancaster, its elected officials, officers, employees and volunteers are included as additional covered parties, but only insofar as the operations under this contract are concerned.

(3) List in the "Certificate Holder" section:

The City of Lancaster, 44933 Fern Avenue, Lancaster, California 93534.

M. 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.

N. 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 OWNER'S insured entities.

17. **Commencement and Completion of Work.** The execution of this Agreement by the parties does not constitute an authorization to proceed. The services of Consultant shall commence when the City, acting by and through its Director or her designee, has issued the Notice to Proceed.

18. **Extension of Time for Completion of Work.**

A. If, at any time, the work is delayed due to suspension order by the City, or due to any other cause which, in the reasonable opinion of the City, is unforeseeable and beyond the control and not attributable to the fault or negligence of Consultant, then Consultant shall be entitled to an extension of time equal to said delay, subject to the City's right to terminate this Agreement pursuant to Section 14.

B. Consultant shall submit to the City a written request for an extension of time within ten (10) days after commencement of such delay, and failure to do so shall constitute a waiver thereof. The City shall, in its sole discretion, determine whether and to what extent any extensions of time shall be permitted.

C. No extension of time requested or granted hereunder shall entitle Consultant to additional compensation unless, as a consequence of such extension, additional work must be performed. In such event, the City shall in good faith consider any request for additional compensation submitted by Consultant.

19. **Ownership of Documents.** All plans, specifications, reports, studies, tracings, maps and other documents prepared or obtained by Consultant in the course of performing the work required by this Agreement shall be the property of the City. Basic survey notes, sketches, charts, computations and similar data prepared or obtained by Consultant under this Agreement shall, upon request, be made available to the City without restriction or limitation on their use.

20. **Data Provided to Consultant.** The City shall provide to Consultant, without charge, all data, including reports, records, maps and other information, now in the City's possession which may facilitate the timely performance of the work described in Exhibit "A".

21. Consultant's Warranties and Representations.

Consultant warrants and represents to the City as follows:

A. Consultant has not employed or retained any person or entity, other than a bona fide employee working exclusively for Consultant, to solicit or obtain this Agreement.

B. Consultant has not paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Consultant, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the execution of this Agreement. Upon any breach or violation of this warranty, the City shall have the right, in its sole discretion, to terminate this Agreement without further liability, or, in the alternative, to deduct from any sums payable hereunder the full amount or value of any such fee, commission, percentage or gift.

C. Consultant has no knowledge that any officer or employee of the City has any interest, whether contractual, noncontractual, financial, proprietary, or otherwise, in this transaction or in the business of the Consultant, and that if any such interest comes to the knowledge of Consultant at any time, a complete written disclosure of such interest will be made to the City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws.

D. Upon the execution of this Agreement, Consultant has no interest, direct or indirect, in any transaction or business entity which would conflict with or in any manner hinder the performance of services and work required by this Agreement, nor shall any such interest be acquired during the term of this Agreement.

22. Resolution of Disputes.

A. Disputes regarding the interpretation or application of any provisions of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

B. If the parties cannot resolve the dispute through good faith negotiations, either party may give Notice of Dispute to the other party. The Notice of Dispute shall state the nature of the dispute and the corrective action necessary to remedy the dispute.

After Notice of Dispute, the parties shall first attempt to resolve any disputes by mediation. The parties shall agree on a single mediator. Mediation shall be conducted in Lancaster, California. Each party shall pay its own attorneys' fees and the costs of mediation shall be split equally between the parties.

If the dispute has not been resolved by mediation within 45 days after Notice of Dispute, or the parties are unable to agree to a mediator, within 15 days after Notice of Dispute, then, the dispute may, upon agreement of the parties be resolved by binding arbitration.

C. If any action at law or in equity is brought to enforce or interpret any provisions of this AGREEMENT, the prevailing party in such action shall be entitled to reasonable attorney's fees, cost and necessary disbursements, in addition to such other relief as may be sought and awarded.

23. **Exhibits.**

The following exhibits to which reference is made in this Agreement are deemed incorporated herein in their entirety:

Exhibit "A" Scope of Services and Rate Schedule

24. **Governing Law.**

This Agreement shall be governed by the laws of the State of California.

25. **Effective Date.**

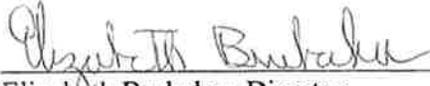
This Agreement shall become effective as of the date set forth below on which the last of the parties, whether the City or Consultant, executes said Agreement.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized.

CITY OF LANCASTER
LANCASTER, CALIFORNIA

Approved By Department Head:

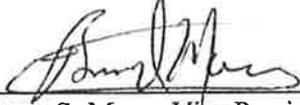
By: 
Elizabeth Brubaker, Director

Dated: 3/27/18

By: _____
Mark V. Bozigian, City Manager

Dated: _____

"CONSULTANT"
Antelope Valley Engineering, Inc.

By: 
Barry S. Munz, Vice President

Dated: 3/26/18

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

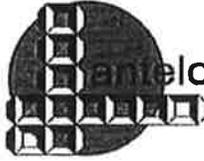
EXHIBIT "A"

SCOPE OF SERVICES

The Consultant shall maintain separate costs for each project and shall identify the costs specific to each project.

The work to be performed under this contract shall include:

SEE ATTACHED



Antelope valley
engineering
inc.

EXHIBIT "A"

ESTIMATED "SCOPE OF WORK" AND "BASIS OF FEE"

**CITY OF LANCASTER
HNR-2 (MEDICAL MAIN STREET)
AGREEMENT #3 OFF-SITE IMPROVEMENTS
LANCASTER, CA**

MARCH 14, 2018

OFF-SITE IMPROVEMENT PLANS

- | | | |
|-----|--|--------------------|
| I. | SURVEY (DESIGN) | \$ 2,750.00 |
| A. | DIP MANHOLES (SEWER & STORM DRAIN), AS REQUIRED | |
| B. | ADDITIONAL UTILITY RESEARCH, AS NEEDED | |
| II. | STREET IMPROVEMENT PLANS | \$ 4,500.00 |
| A. | 15 TH ST WEST (INCLUDING FRONTAGE ROAD & ALLEY'S) | |
| 1. | DEMOLITION PLAN | |
| a) | REMOVAL OF EXISTING IMPROVEMENTS FOR NEW WORK | |
| 2. | PLAN AND PROFILE, AS NEEDED | |
| a) | NEW CURB & GUTTER | |
| b) | NEW DRIVEWAYS/ENTRANCES | |
| c) | ALLEYS | |
| 3. | CATCH BASINS AND LOCAL DEPRESSIONS, AS APPLICABLE | |
| B. | STREET CROSS-SECTIONS (FOR DESIGN PURPOSES) | |

129 West Pondera Street • Lancaster, California 93534 • (661) 948-0805 • (661) 945-8170

L18-023

- III. STREET LIGHTING PLAN ("LS-3" SYSTEM) **\$ 3,750.00**
 - A. 15TH ST WEST LIGHT LAYOUT
 - B. VOLTAGE DROP DIAGRAM AND CALCULATIONS
 - C. MISCELLANEOUS DETAILS

- IV. WATER PLANS (OFF-SITE) **\$ 6,500.00**
 - A. PUBLIC MAIN LAYOUTS, FIRE HYDRANTS, APPURTENANCES, ETC.
 - 1. ABANDONMENT OF EXISTING WATER MAINS
 - 2. NEW WATER METERS
 - 3. NEW FIRE HYDRANTS
 - 4. FIRE SERVICE WITH BACKFLOW PREVENTER(S)
 - B. APPLICATION AND OTHER VARIOUS DOCUMENTS/FORMS
 - 1. SERVICE APPLICATION DOCUMENTS
 - 2. WATER SUPPLY ENTITLEMENTS
 - a) ANNUAL WATER DEMAND ESTIMATES
 - b) ENTITLEMENTS ACQUISITION AGREEMENT
 - 3. FIRE FLOW AVAILABILITY FORM
 - 4. FLOW TEST DATA, IF NEEDED
 - 5. CLOSE OUT DOCUMENTS
 - a) CONSTRUCTION COST SUMMARY
 - b) WARRANTY DEED/BILL OF SALE
 - C. AS-BUILT PLANS

V.	SEWER PLAN	\$ 8,500.00
	A. COVER SHEET	
	1. AGENCY NOTES	
	2. INDEX MAP	
	3. BENCHMARK	
	B. PLAN & PROFILE	
	1. EXISTING AND PROPOSED TOP OF CURB/SURFACE OVER PIPE, ETC.	
	2. EXISTING, RELOCATED AND PROPOSED MAINLINE SEWERS	
	a) ELEVATIONS OF INVERTS AT MANHOLES	
	b) SLOPES OF MAINLINE SEWERS	
	c) SIZE OF MAINLINE SEWERS	
	d) SURFACE OVER SEWER	
	3. EXISTING AND PROPOSED MANHOLES	
	4. PROPOSED SEWER LATERALS	
	5. MAINLINE SEWERS TO BE ABANDONED	
	<u>NOTE:</u> SEWER EASEMENTS PER FINAL MAP, IF REQUIRED	
	C. AS-BUILT PLANS	
VI.	SIGNING AND STRIPING PLAN (15 TH ST WEST)	\$ 3,250.00
	A. LANE CONFIGURATIONS	
	1. 15 TH ST WEST	
	2. ENTRANCE (INTERSECTION)	
	B. LEFT TURN AT ENTRANCE	
VII.	STORM DRAIN	\$ 9,750.00
	A. 15 TH ST WEST EXTENSION TO SITE	
	B. NORTH ALLEY & EAST DRIVE AISLE TO AVE J-3	

- C. CONSTRUCTION & GENERAL NOTES, HYDRAULIC ELEMENT TABLE, ETC.
- D. PLAN & PROFILE
- E. CATCH BASINS, MANHOLES, JUNCTION STRUCTURES & DETAILS, AS NEEDED

NOTE: STORM DRAIN EASEMENT PER FINAL MAP

VIII.	TRAFFIC SIGNAL MODIFICATION	\$ 11,000.00
	A. 15 th STREET WEST AND PROJECT ENTRANCE	
IX.	MISCELLANEOUS	
	A. QUANTITIES AND COST ESTIMATE FOR BOND PURPOSES AND PLAN CHECK FEES	\$ 2,500.00
	B. FINAL SEWER AREA STUDY	\$ 1,750.00
	C. HYDROLOGY/HYDRAULIC STUDY	\$ 4,500.00
	1. STORM DRAIN DESIGN FLOWS	
	2. WATER SURFACE PROFILE	
	D. LEGAL DOCUMENTS	\$ 3,000.00
	1. WATER EASEMENTS FOR BACKFLOW PREVENTERS	
	2. OFF-SITE STORM DRAIN EASEMENT (APN 3123-016-004)	
	E. DRY UTILITY SERVICE PPLICATIONS AND SUBMITTAL PACKAGES	\$ 3,500.00
	1. ELECTRONIC (CAD & PDF) FILES	
	2. COORDINATION WITH DRY UTILITY CONSULTANT, IF APPLICABLE	

- | | | |
|-----|--|--------------------|
| XI. | MISC. MEETINGS, CONSULTATION, CORRESPONDENCE
AND COORDINATION; PLAN SUBMITTALS AND PROCESSING, ETC. | \$ 7,250.00 |
| A. | CLIENT | |
| B. | OTHER CONSULTANTS | |
| C. | ARCHITECT | |
| D. | CITY STAFF | |
| E. | COUNTY AGENCIES (FIRE DEPARTMENT, WATER DISTRICT,
SANITATION DISTRICT, ETC.) | |
| F. | UTILITY COMPANIES | |

OFF-SITE IMPROVEMENT PLANS SUBTOTAL: \$ 72,500.00

EXTRA WORK

ADDITIONAL SERVICES, NOT DESCRIBED ABOVE AND EXCLUDED FROM THIS PROPOSAL, WILL BE CONSIDERED AS EXTRA WORK AND BILLED ON A TIME AND MATERIAL BASIS PER OUR RAISED FOR PROFESSIONAL SERVICES IN 2018, ATTACHED. SERVICES MAY INCLUDE BUT ARE NOT LIMITED TO:

1. LANDSCAPE/IRRIGATION DRAWINGS AND SPECIFICATIONS
2. CONSTRUCTION SURVEY, TESTING, STUDIES, AND INSPECTION SERVICES
3. DRY UTILITY COMPANY PLANS AND EASEMENT PREPARATION
 - A. SERVICES OF A DRY UTILITY CONSULTANT
4. CONSTRUCTION COST ESTIMATES OTHER THAN CITY BOND ESTIMATE
5. REPRODUCTIONS OTHER THAN FOR AGENCY SUBMITTALS AND APPROVALS
6. LEGAL DOCUMENTS OTHER THAN SPECIFICALLY INCLUDED ABOVE
7. DUST CONTROL PLANS (AVAQMD)
8. RETAINING WALL CALCULATIONS & DETAILS
9. GEOTECHNICAL ENGINEERING REPORT
10. ON-SITE IMPROVEMENT PLANS (GRADING, PAVING, DEMOLITION,
 HORIZONTAL CONTROL, FIRE PROTECTION, ETC.)

11. FINAL SUBDIVISION MAP
12. STORM WATER POLLUTION PREVENTION PLAN/EROSION CONTROL PLAN
13. CONSTRUCTION ADMINISTRATION/MANAGEMENT SERVICES
 - A. GRADING CERTIFICATIONS
 1. ROUGH GRADING
 2. FINAL GRADING
 - B. CHANGE ORDERS
 - C. RFI & SUBMITTAL REVIEWS
 - D. SITE VISITS COORDINATION MEETINGS, ETC.
 - E. QSP (QUALIFIES SWPPP PRACTITIONER) SERVICES
 - F. RECORD DRAWINGS
14. CHANGES TO SCOPE OF WORK OR PLANS AS REQUESTED BY CLIENT, TENANT, OR CONTRACTOR. **ANY CHANGES WILL BE DIRECTED BY CLIENT IN WRITTEN FORM.** ANTELOPE VALLEY ENGINEERING WILL VERIFY APPROVAL OF THESE CHANGES AND ALL ASSOCIATED FEES PRIOR TO COMMENCEMENT OF CHANGES.



EXHIBIT "B"

RATES FOR PROFESSIONAL SERVICES IN 2018 ARE AS FOLLOWS:

\$190 PER HOUR FOR SERVICES OF PRINCIPAL ENGINEER
\$140 PER HOUR FOR SERVICES OF PROJECT ARCHITECT
\$130 PER HOUR FOR SERVICES OF PROJECT ENGINEER/SURVEYOR
\$125 PER HOUR FOR SERVICES OF PROJECT MANAGER
\$110 PER HOUR FOR SERVICES OF SENIOR DESIGNER
\$ 90 PER HOUR FOR SERVICES OF ENGINEERING TECHNICIAN
\$ 80 PER HOUR FOR SERVICES OF DESIGN TECHNICIAN
\$ 70 PER HOUR FOR SERVICES OF DRAFTING TECHNICIAN
\$ 60 PER HOUR FOR SERVICES OF ADMINISTRATIVE SECRETARY
\$ 50 PER HOUR FOR SERVICES OF TYPIST/RECEPTIONIST
\$350 PER HOUR FOR SERVICES OF EXPERT WITNESS

SURVEY CREW:

\$140 PER HOUR FOR SERVICES OF 1-MAN FIELD CREW
\$225 PER HOUR FOR SERVICES OF 2-MAN FIELD CREW
\$250 PER HOUR PREVAILING WAGE FOR 2-MAN FIELD CREW
\$275 PER HOUR FOR SERVICES OF 3-MAN FIELD CREW
\$310 PER HOUR PREVAILING WAGE FOR 3-MAN FIELD CREW

SUB-CONSULTANTS @ COST PLUS 15% OR AS NEGOTIATED

PRINTS (BOND)

24 x 36 \$5.00 PER SHEET
30 x 42 \$6.00 PER SHEET
36 X 48 \$7.00 PER SHEET

MISCELLANEOUS

\$0.25 PER SHEET FOR COPIES
\$0.60 PER MILE FOR MILEAGE

ELECTRONIC FILES ON DISK OR E-MAILED BILLED AT HOURLY RATE

NOTE: TIME SPENT IN EXCESS OF 8 HOURS A DAY OR ON WEEKENDS WILL BE CHARGED OVERTIME AS FOLLOWS:

1.5 TIMES THE REGULAR RATE FOR WEEKDAYS IN EXCESS OF
8.0 HOURS PER DAY OR FOR 8.0 HOURS PER DAY ON WEEKENDS

2.0 TIMES THE REGULAR RATE FOR TIME ON WEEKEND IN
EXCESS OF 8.0 HOURS PER DAY OR ON HOLIDAYS

EFFECTIVE DECEMBER 1, 2017

EXHIBIT "B"

TERM, PAYMENT AND TIME FOR COMMENCEMENT AND COMPLETION CLAUSE

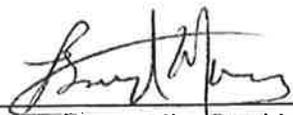
Term. This Agreement shall become effective and shall be in full force and effect upon the execution of the Agreement by the City and the CONSULTANT. This Agreement shall continue in full force and effect for a period of **two (2) years** from the effective date of the Agreement (the "Term), unless the Agreement is sooner terminated in accordance with the Terms and Conditions in the Agreement; provided, however, that the City and the CONSULTANT may mutually agree in writing to extend the Term of this Agreement.

Payment. The City of Lancaster shall reimburse the CONSULTANT for actual costs, including labor costs and employee benefits incurred by the CONSULTANT in performance of the work, in an amount not to exceed \$72,500.00. Actual costs shall not exceed the estimated wage rates and other costs as set forth in this Agreement. Source documentation supporting billed costs must be submitted with invoice. CONSULTANT shall provide a cost breakdown with hourly rates for each office and field function in the event that additional work is required beyond the not to exceed fee specified above. Any additional work will require a separate Authorization for Consultant Services signed by both parties.

Consultant shall not be reimbursed for actual travel expenses incurred in the performance of the work.

Time for Commencement and Completion

CONSULTANT shall commence performance of the work no later than **five (5) days** following execution of this Agreement. It is anticipated that performance of the work will be completed within **two (2) years** from commencement. In no event shall performance of the work be completed later than **two (2) years** from commencement, **without the prior written authorization of the City**. If Consultant fails to complete the work in this time period, City may avail itself of any and all remedies provided for in this Agreement.



Barry S. Munz, Vice President
Antelope Valley Engineering, Inc.

STAFF REPORT
Lancaster Housing Authority

HA CC 2
06/12/18
MVB

Date: June 12, 2018

To: Chair Szeto and Authority Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Loan Agreement between the Lancaster Housing Authority and When Life Hands You Lemons, LP, a California Limited Partnership**

Recommendation:

Approve the Loan Agreement between the Lancaster Housing Authority and When Life Hands You Lemons, LP, a California Limited Partnership for the construction of the proposed Kensington Campus Multifamily Residential Project located at the proposed 32nd Street West and Avenue I.

Fiscal Impact:

The Lancaster Housing Authority will loan the developer \$692,000 from the Lancaster Housing Authority Budget Fund account 306-4542-301.

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 32nd Street West and West Avenue I.

On January 9, 2018, the Lancaster Housing Authority approved a HOME Loan Agreement between the Lancaster Housing Authority and InSite Development LLC, for property located at future 32nd Street West and 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 32nd 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 to record deed restrictions that limit rents for a period of fifty-five years on all properties receiving a subsidy from the Housing Authority. Taking into consideration the extraordinary use and/or quality restrictions imposed on the developer, subsidies and/or incentives are necessary to complete and operate quality affordable housing projects. The Loan commences on the first day of the first month following the “No Accrual Period”, it bears interest at the rate of one percent (1%) per annum for a period of sixty months (the “First Accrual Period”). Beginning on the first day of the first month following the “First Accrual Period”, the Authority Loan bears interest at the rate of two percent (2%) per annum for a period of sixty months (the “Second Accrual Period”). Beginning on the first day of the first month following the “Second Accrual Period”, the Authority Loan bears interest at the rate of three percent (3%) per annum for the remaining forty-three (43) years for a total loan term of fifty-five (55) years following the Date of Disbursement and is all due and payable fifty-five (55) years following the “Date of Disbursement.” The Developer may repay the Authority Loan in part or in full at any time.

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 and will manage, operate and provide support services to homeless persons or families, and provide support services to the tenants. The goal of OPCC is to assist the tenants to retain housing and to maximize their ability to live independently and assist the homeless persons and families to become stably housed.

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 assist the Authority to meet its 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 June 12, 2018, by and between the **LANCASTER HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), and **WHEN LIFE HANDS YOU LEMONS, LP**, a California limited partnership (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 100 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. 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).

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

housing projects as contemplated under Article XXXIV of the State Constitution.

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

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

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

I. 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.

J. 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

101. Capitalized terms used herein shall have the meanings set forth in this Section 101:

"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) units at the proposed 32nd Street West and Avenue I, which shall be designated as 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.

“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 Six Hundred Ninety Two Thousand Dollars (\$692,000) to the Developer, as provided in Section 201 of the Loan Agreement.

“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 of the Loan Agreement, in the form of the Promissory Note which is attached to the Loan Agreement 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 of the Loan Agreement.

“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 of the Loan Agreement.

“Developer” means When Life Hands You Lemons, LP, 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.

“Loan Agreement” shall mean and refer to that certain Loan Agreement by and between Covenantor and Covenantee dated June 12, 2018.

“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 of the Loan Agreement.

“Project” means the Property and the Improvements.

“Property” means that parcel of real property located at the proposed 32nd 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.

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 Six Hundred Ninety Two Thousand Dollars (\$692,000) (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.

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 400 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 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 "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 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. .

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: When Life Hands You Lemons, LP
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 this 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 When Life Hands You Lemons, LP 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.

WHEN LIFE HANDS YOU LEMONS, LP
a California Limited Liability Corporation

By: When Life Hands You Lemons, LP,
a Limited Liability company
Co-General Partner

Dated: 5/30/18

By: Steve Eglash
Steve Eglash

LANCASTER HOUSING AUTHORITY, a public
body corporate and politic

Dated: _____

By: _____
Executive Director

APPROVED AS TO FORM:

Elizabeth Brubaker
Elizabeth Brubaker
Deputy Executive Director

ATTEST:

Britt Avrit, CMC
Authority Secretary

APPROVED AS TO FORM:

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

ATTACHMENT NO. 1

SITE LEGAL DESCRIPTION

THAT PORTION OF PARCEL 3 OF PARCEL MAP NO. 14651, AS SHOWN ON MAP RECORDED IN BOOK 158, PAGES 1 THROUGH 4 OF PARCEL MAPS, IN THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 7 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 7:

THENCE RUNNING WESTERLY ALONG THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 7, S 89° 57' 24" W, 824.38 FEET;

THENCE N 00° 02' 36" W, 68.94 FEET;

THENCE CONTINUING NORTHERLY, N 00° 02' 36" W, 1281.02 FEET TO THE NORTHERLY LINE OF SAID PARCEL 3.

APN: 3107-012-905

ATTACHMENT NO. 2

AUTHORITY LOAN PROMISSORY NOTE

\$692,000.00

June 12, 2018
Lancaster, California

FOR VALUE RECEIVED, WHEN LIFE HANDS YOU LEMONS, LP, a California limited partnership (“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 Six Hundred Ninety Two Thousand Dollars (\$692,000) (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 June 12, 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 upon transfer of title or sale of property. No interest shall accrue with respect to the Authority Loan Promissory Note during the period commencing on the Date of Disbursement and ending on the last day of the month that is twenty-four months after the Date of Disbursement (“No Accrual Period”). Commencing on the first day of the first month following the “No Accrual Period”, the Authority Loan shall bear interest at the rate of one percent (1%) per annum for a period of sixty months (the “First Accrual Period”). Commencing on the first day of the first month following the “First Accrual Period”, the Authority Loan shall bear interest at the rate of two percent (2%) per annum for a period of sixty months (the “Second Accrual Period”). Commencing on the first day of the first month following the “Second Accrual Period”, the Authority Loan shall bear interest at the rate of three percent (3%) per annum for the remaining forty-three (43) years for a total loan term of fifty-five (55) years. The principal and all interest accrued thereon shall be all due and payable fifty-five (55) years following the Date of Disbursement. 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 11 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

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).

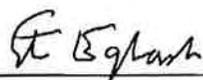
16. Subordination. The mortgage or deed of trust securing this Note is and shall be subject and subordinate in all respects to the license, terms, covenants and conditions of the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by Developer, as Trustor, naming 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:

WHEN LIFE HANDS YOU LEMONS, LP,
a California Limited Partnership

By: When Life Hands You Lemons, LP,
a California Limited Partnership
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)

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 June 12, 2018, is made by and among **WHEN LIFE HANDS YOU LEMONS, LP.**, a California limited partnership (“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 Six Hundred Ninety Two Thousand Dollars (\$692,000) 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 3.1, less all costs and expenses incurred by Beneficiary or any receiver under Section 6.2 or Section 3.1, 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: When Life Hands You Lemons, LP
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

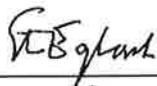
7.13 Trustor's Request for Notice of Default and Notice of Sale. Trustor hereby requests that a copy of any notice of default or notice of sale under this deed of trust be mailed to Trustor at the address set forth in Section 7.11 of this deed of trust.

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

DEVELOPER:

WHEN LIFE HANDS YOU LEMONS, LP,
a California Limited Partnership

By: When Life Hands You Lemons, LP,
a California Limited Partnership
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

THAT PORTION OF PARCEL 3 OF PARCEL MAP NO. 14651, AS SHOWN ON MAP RECORDED IN BOOK 158, PAGES 1 THROUGH 4 OF PARCEL MAPS, IN THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 7 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 7:

THENCE RUNNING WESTERLY ALONG THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 7, S 89° 57' 24" W, 824.38 FEET;

THENCE N 00° 02' 36" W, 68.94 FEET;

THENCE CONTINUING NORTHERLY, N 00° 02' 36" W, 1281.02 FEET TO THE NORTHERLY LINE OF SAID PARCEL 3.

APN: 3107-012-905

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 12th day of June 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 June 12, 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 Covenantee 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) units at the Kensington Campus, which shall be designated as 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.

“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 Six Hundred Ninety Two Thousand Dollars (\$692,000) to the Developer, as provided in Section 201 of the Loan Agreement.

“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 of the Loan Agreement, in the form of the Promissory Note which is attached to the Loan Agreement 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 of the Loan Agreement.

“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 of the Loan Agreement.

“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.

“Loan Agreement” shall mean and refer to that certain Loan Agreement by and between Covenantor and Covenantee dated June 12, 2018.

“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 of the Loan Agreement.

“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.

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. 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 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.

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 Covenantor, which approval the Covenantor 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 Covenantor (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 Covenantor with respect to landscaping and building improvements, then the Covenantor, 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 Covenantor and/or costs of such cure, including a five percent (5%) administrative charge, which amount shall be promptly paid by Covenantor to the Covenantor 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 Covenantor 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 Covenantor 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 Covenantor 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 Covenantor 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 Covenantor 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 Covenantor. 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: When Life Hands You Lemons, LP
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 this 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

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:

WHEN LIFE HANDS YOU LEMONS, LP,
a California Limited Partnership

By: When Life Hands You Lemons, LP,
a California Limited Partnership
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

THAT PORTION OF PARCEL 3 OF PARCEL MAP NO. 14651, AS SHOWN ON MAP RECORDED IN BOOK 158, PAGES 1 THROUGH 4 OF PARCEL MAPS, IN THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 7 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 7:

THENCE RUNNING WESTERLY ALONG THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 7, S 89° 57' 24" W, 824.38 FEET;

THENCE N 00° 02' 36" W, 68.94 FEET;

THENCE CONTINUING NORTHERLY, N 00° 02' 36" W, 1281.02 FEET TO THE NORTHERLY LINE OF SAID PARCEL 3.

APN: 3107-012-905

M 1
06/12/18
MVB

**LANCASTER
CITY COUNCIL/SUCCESSOR AGENCY/
FINANCING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
May 22, 2018**

CALL TO ORDER

Mayor/ Chair Parris called the meeting of the Lancaster City Council/Successor Agency/Financing/ Power/California Choice Energy Authority to order at 5:16 p.m.

ROLL CALL

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

STAFF MEMBERS:

City Manager/Executive Director; Deputy City Manager/Deputy Executive Director; City Attorney/Agency/Authority Counsel; City Clerk/Agency/Authority Secretary; Administrative and Community Services Director; Parks, Recreation and Arts Director; Development Services Director; Finance Director; Housing Director; Public Safety Director

INVOCATION

Pastor Darrell Dorris, Living Faith Cathedral Church of God in Christ

PLEDGE OF ALLEGIANCE

Council Member Mann

PRESENTATION

1. Public Works Week Proclamation
Presenters: Mayor Parris and Marissa Diaz, Capital Program Manager

M 1. MINUTES

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council/Successor Agency/Financing/Power/California Choice Energy Authority approved the City Council/Successor Agency/Financing/Power/California Choice Energy Authority Regular Meeting Minutes of May 8, 2018, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist; Parris; NOES: None; ABSTAIN: None; ABSENT: None

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
May 22, 2018

CONSENT CALENDAR

Mayor Parris stated he needs to recuse himself from Item No. CC 9 due to the proximity of the project to his Law Firm.

Council Member Underwood-Jacobs stated she needs to recuse herself from Item No. CC 10 due to the proximity of the project to her business.

Item No.'s CC 5, 7, 9, 10, 13 and 14 were pulled for separate discussion.

The City Attorney stated Item No. CC 4 is a matter of interest to the public generally and therefore there are no conflicts; all members of the City Council may vote.

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council approved the Consent Calendar with the exception of Item No.'s CC 5, CC 7, CC 9, CC 10, CC 13 and CC 14, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist; Parris; NOES: None; ABSTAIN: None; ABSENT: None

Addressing the City Council on Item No.'s CC 5, CC 9, CC 13 and CC 14:
Michael Rives – suggests hiring someone from the City for Item No. CC 5; stated more details are needed regarding Item No. CC 9; and stated citizens should not be subject to the increase regarding Item No. CC 13 and Item No. CC 14.

Addressing the City Council on Item No. CC 7:
Ed Galindo – discussed the timing associated with this item.

Council Member Underwood-Jacobs left the dais at this time.

Addressing the City Council on Item No. CC 10:
Fran Sereseres – discussed handicapped access for a specific business on Lancaster Blvd.

On a motion by Vice Mayor Crist and seconded by Council Member Mann, the City Council approved Item No. CC 10, by the following vote: 4-0-0-1; AYES: Malhi, Mann, Crist, Parris; NOES: None; ABSTAIN: None; RECUSED: Underwood-Jacobs

Council Member Underwood-Jacobs returned to the dais at this time.

Mayor Parris left the dais at this time.

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

Mayor Parris returned to the dais at this time.

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council approved Item No.'s CC 5, CC 7, CC 13 and CC 14, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist; Parris; NOES: None; ABSTAIN: None; ABSENT: None

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
FINANCING/POWER/CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
May 22, 2018

CC 1. ORDINANCE WAIVER

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

CC 2. CHECK REGISTERS

Approved the Check and Wire Registers for April 22, 2018, through May 5, 2018 in the amount of \$3,888,122.56. Approved the Check Registers as presented.

CC 3. INVESTMENT REPORT

Accepted and approved the April 2018, Monthly Report of Investments as submitted.

CC 4. RESOLUTION NO. 18-16

Adopted **Resolution No. 18-16**, authorizing the City Manager, or his designee, to apply for \$5,482,120 of funds available to the City of Lancaster from Los Angeles County Metropolitan Transportation Authority (LACMTA).

CC 5. SUB-RECIPIENT AGREEMENT BETWEEN THE CITY OF LANCASTER AND THE HOUSING RIGHTS CENTER

Approved the Sub-Recipient Agreement between the City of Lancaster and the Housing Rights Center to provide fair housing services to the residents of Lancaster for the 2018 Community Development Block Grant (CDBG) Program Year.

CC 6. PUBLIC WORKS CONSTRUCTION PROJECT NO. 16-009, 2016 PAVEMENT MANAGEMENT PROGRAM

Accepted the work constructed by Granite Construction Company for **Public Works Construction Project No. 16-009, 2016 Pavement Management Program**; and directed the City Clerk to file the Notice of Completion for the project. Retention on this project has been disbursed in accordance with California Public Contract Code.

CC 7. PROFESSIONAL SERVICE AGREEMENTS WITH THE PRE-QUALIFIED CONSULTING FIRMS: INTERWEST CONSULTING GROUP, BUREAU VERITAS/CALIFORNIA CODE CHECK, AND JAS PACIFIC

Approved Professional Service Agreements with the pre-qualified consulting firms: Interwest Consulting Group, Bureau Veritas/California Code Check, and JAS Pacific; and authorized the City Manager, or his designee, to execute all task orders within existing signature authority limits.

CC 8. COVENANT OF EASEMENT

Determined the need for creation of easement by covenant, allowing ingress and egress over properties held in common ownership for the benefit of future owners; and authorized the City Clerk to endorse and record at the County of Los Angeles Recorders Office this Covenant of Easement.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
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CC 9. VIPER ENTERPRISES PROGRESS PAYMENTS

Authorized the City Manager to make progress payments up to \$1,100,000.00 to Viper Enterprises pursuant to the Reimbursement Agreement dated March 14, 2017.

CC 10. RENEWED DOWNTOWN LANCASTER PROPERTY-BASED IMPROVEMENT DISTRICT (PBID)

Adopted **Resolution No. 18-17** initiating proceedings and declaring intent to renew the Downtown Lancaster Property and Business Improvement District.

Set a Public Hearing for July 24, 2018 to consider renewal of the PBID.

CC 11. DESIGN CONTRACT FOR TASK ORDER NO. 26, IN ACCORDANCE WITH THE 2016-2018 MULTI-YEAR PROFESSIONAL SERVICES AGREEMENT

Awarded the design contract to Stantec Consulting Services, Inc., of Lancaster, California, for Task Order No. 26, in accordance with the 2016-2018 Multi-Year Professional Services Agreement, in the amount of \$164,852.00 with a 10% contingency; and authorized the City Manager, or his designee, to sign all documents.

CC 12. LANCASTER LANDSCAPE MAINTENANCE DISTRICT NO. 1 ANNUAL ASSESSMENT FOR FISCAL YEAR 2018-2019

Adopted **Resolution No. 18-18**, generally describing any proposed improvements or substantial changes in existing improvements, and ordering the Capital Program Manager to prepare and file a report for Lancaster Landscape Maintenance District No. 1 and Fox Field Industrial Corridor Landscape Maintenance District, pursuant to provisions of the Landscaping and Lighting Act of 1972 of the Streets and Highways Code of the State of California.

Adopted **Resolution No. 18-19**, preliminarily approving the Engineer's Report, fixing time and place for public hearing on the levy of the proposed assessment, and declaring its intention to levy and collect assessments within Lancaster Landscape Maintenance District No. 1 and Fox Field Industrial Corridor Landscape Maintenance District, pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California.

CC 13. LANCASTER LIGHTING MAINTENANCE DISTRICT ANNUAL ASSESSMENT FOR FISCAL YEAR 2018-2019

Adopted **Resolution No. 18-20**, generally describing any proposed improvements or substantial changes in existing improvements, and ordering the Capital Program Manager to prepare and file a report for Lancaster Lighting Maintenance District, pursuant to provisions of the Landscaping and Lighting Act of 1972 of the Streets and Highways Code of the State of California.

Adopted **Resolution No. 18-21**, preliminarily approving the Engineer's Report, fixing time and place for public hearing on the levy of the proposed assessment, and declaring its intention to levy and collect assessments within Lancaster Lighting Maintenance District, pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California.

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CC 14. LANCASTER DRAINAGE BENEFIT ASSESSMENT DISTRICT ANNUAL ASSESSMENT FOR FISCAL YEAR 2018-2019

Adopted **Resolution No. 18-22**, generally describing any proposed improvements or substantial changes in existing improvements, and ordering the Capital Program Manager to prepare and file a report for Lancaster Drainage Benefit Assessment District.

Adopted **Resolution No. 18-23**, preliminarily approving the Engineer's Report, fixing time and place for public hearing on the levy of the proposed assessment, and declaring its intention to levy and collect assessments within Lancaster Drainage Benefit Assessment District.

PH 1. LANCASTER SEWER SYSTEM SERVICE CHARGES FOR FISCAL YEAR 2018-2019

Mayor Parris opened the Public Hearing.

The Capital Program Manager presented the Staff Report for this item.

Addressing the City Council on this item:

Michael Rives – thanked the Council for not increasing the fee.

Mayor Parris closed the Public Hearing.

On a motion by Vice Mayor Crist and seconded by Council Member Underwood-Jacobs, the City Council adopted **Resolution No. 18-24**, a resolution of the City Council of the City of Lancaster, California, levying Lancaster Sewer System Service Charges for maintenance and servicing of the Lancaster Sewer System, for Fiscal Year 2018-2019, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

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NB 1. PUBLIC WORKS CONSTRUCTION PROJECT NO. 18-006, 2018 SIDEWALK, CURB AND GUTTER REPAIRS

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

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council awarded **Public Works Construction Project No. 18-006, 2018 Sidewalk, Curb and Gutter Repairs**, to Hardy & Harper, Inc., of Santa Ana, California, in the amount of \$1,976,000.00, plus a 10% contingency, for curb and gutter, sidewalk, and pedestrian curb ramp replacement, as well as tree removal/root pruning; and authorized the City Manager, or his designee, to sign all documents. This contract is awarded to the lowest responsible bidder per California Public Code Section 22038 (b), by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

NB 2. PRESENTATION ON PROCESS TO ADJUST TRANSIENT OCCUPANCY TAX RATE

The City Clerk presented the Report for this item.

Addressing the City Council on this item:

Michael Rives – discussed the competitive advantage with having a lower rate.

Discussion among the City Council and staff included discussion of possibly declaring an emergency and directed staff to look at the cost to hold a consolidated election with the election in November and report back to the City Council.

Reviewed and filed report on the process to undertake an increase to the Transit Occupancy Tax (TOT) rate.

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Council Member Mann stated he will be abstaining from Item No. NB 3 because his son works for Waste Management. The City Attorney stated it was not a legal requirement to recuse himself from this item.

NB 3. AGREEMENT FOR THE COLLECTION OF SOLID WASTE BETWEEN THE CITY OF LANCASTER AND WASTE MANAGEMENT OF ANTELOPE VALLEY

The City Manager presented the Staff Report for this item.

Addressing the City Council on this item:

Michael Rives – discussed the impact of increasing rates for those with low incomes.

Discussion among the City Council and Sandra Pursley from Waste Management included discussion of signage on Waste Management’s trucks as it relates to natural gas.

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council authorized the City Manager and City Attorney to prepare and execute an extension and modifications to the First Amendment to Amended and Restated Agreement for the Collection of Solid Waste effective December 14, 2012 (“Amendment”) and Amended and Restated Agreement for the Collection of Solid Waste effective May 22, 2007 (“Restated Agreement”) between the City of Lancaster and Waste Management (WM) of Antelope Valley as specified in the staff report; and authorized the City Manager, or his designee, to sign all documents, by the following vote: 4-0-1-0; AYES: Malhi, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: Mann; ABSENT: None

CA 1. NOMINATIONS/APPOINTMENTS OF COUNCIL MEMBERS TO VARIOUS POSITIONS:

Mayor Parris stated the nominations and appointments to various Commissions and Boards will be made at the next City Council meeting.

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

Vice Mayor Crist discussed a recent article in LA Times regarding electric buses, discussed BYD hiring disadvantaged workers, veterans, etc. and stated AVTA hired Macy Neshati as the new Executive Director/CEO effective June 1, 2018.

CR 2. COUNCIL REPORTS

Council Member Crist discussed a new Joint Powers Authority (JPA) made up of Lancaster, Palmdale, Santa Clarita and Los Angeles County-5th Supervisorial District; known as North Los Angeles County Transportation Coalition (NCTC); Council Member Mann stated Vice Mayor Crist was unanimously elected as Chairman of this Board. Vice Mayor Crist stated Antelope Valley Air Quality Management District has the lowest rates in the region.

Discussion took place regarding screening and early intervention for Valley Fever.

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CALIFORNIA CHOICE ENERGY AUTHORITY

No action required at this time.

LANCASTER HOUSING AUTHORITY

No action required at this time.

LANCASTER FINANCING AUTHORITY

No action required at this time.

LANCASTER POWER AUTHORITY

No action required at this time.

LANCASTER SUCCESSOR AGENCY

No action required at this time.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

The City Manager discussed the upcoming budget presentation scheduled for June 12, 2018, the recent Mother's Day Tea and recent tent revival. A brief video highlighting a mural completed on Lancaster Blvd was shown.

Deputy Mayor Dorris discussed the diversity of the attendees at the recent tent revival and discussed the success of the event.

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:

Shannon McDonald – thanked the Council and Public Works for the job they do and discussed repairing streets.

George Beatty – thanked the Council for a job well done, requested that the City Council take action to address abandoned homes and discussed a specific home visited by LA County Deputies.

Fran Sereseres – discussed her absence from the recent Homeless Impact Commission meeting and thanked the Council for the work they do.

Heather Brown – discussed single lanes of traffic in the City.

Discussion between the City Council and staff included discussion of road diets, car volume and auto accidents.

LANCASTER CITY COUNCIL/ SUCCESSOR AGENCY/
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PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS CONTINUED...

Johnny – discussed the need for a skate park in Lancaster, stated the skate community is growing and discussed the difficulty for skaters to find a place to skate in Lancaster; the skate park may keep kids off the street.

COUNCIL / AGENCY / AUTHORITY COMMENTS

Mayor Parris requested an analysis of crime rates when events are taking place in various locations in the City.

ADJOURNMENT

Mayor Parris adjourned the City Council meeting in memory of Bishop Grover Lee Talley, a loving husband, wonderful father, and founder of Antelope Valley Church of God in Christ.

Bishop Talley was born on March 11, 1918, in Texarkana, Arkansas; in 1939 he moved to Los Angeles, California and was called into the ministry in 1941, which was the same year he was drafted into the United States Army, and served overseas for three years during World War II. Bishop Talley relocated to the Antelope Valley in 1951 and founded the Antelope Valley Church of God in Christ in 1952. Bishop Talley touched the lives of many people through his work in the Antelope Valley and leaves behind a great legacy for his family and the community.

Mayor Parris adjourned the meeting at 6:37 p.m. and stated the next City Council/Successor Agency/Financing/Power/California Choice Energy Authority meeting will be held on Tuesday, June 12, 2018 at 5:00 p.m.

PASSED, APPROVED and ADOPTED this 12th day of June, 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
May 22, 2018

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

Lancaster Successor Agency

SA CC 1
06/12/18
MVB

Date: June 12, 2018

To: Chairman Parris and Agency Directors

From: Chenin Dow, Economic Development Manager

Subject: **Land Sale**

Recommendation:

Adopt **Resolution No. SA 04-18**, approving the transfer of certain property to the City of Lancaster and making certain findings in connection therewith; authorize the Executive Director, or his designee, to execute all related documents.

Fiscal Impact:

The sales will yield proceeds of \$2,000,000. As the property in question belongs to the Successor Agency to the former Lancaster Redevelopment Agency, these funds will be forwarded to Los Angeles County for disbursement to the affected taxing agencies.

Background:

The proposed purchase and sale agreements would dispose of vacant properties located at three sites throughout Lancaster in accordance with the Long-Range Property Management Plan approved in 2013. The affected properties include various parcels in the Front Row Center area, located adjacent to Cinemark 22 Theatres; an unimproved parcel located near the northeast corner of Avenue K-8 and 15th Street West; and a parcel located on the southwest corner of Avenue J and Beech Avenue.

Pricing for each of these sites is as follows:

- 3153-067-900: \$60,000
- 3153-067-912: \$50,000
- 3153-067-007, -008, -009: \$140,000
- 3153-067-045, -046, -047, -048: \$160,000
- 3132-009-901: \$20,000
- 3153-015-958: \$680,000
- 3153-015-959: \$860,000
- 3125-009-904: \$30,000

Despite continuously marketing these properties for sale since 2011, no offers have been received from the private sector to date for all but two neighboring parcels (APNs 3153-015-985 and -959), totaling 6.92 acres. For this site, a contingent offer was received. The City's offer is not contingent and exceeds that received from the private sector.

This bulk sale will yield proceeds of \$2 million for disbursement to the affected taxing entities.

CD:te

Attachments

Resolution No. SA 04-18

Purchase and Sale Agreement

RESOLUTION NO. SA 04-18

A RESOLUTION OF THE LANCASTER SUCCESSOR AGENCY APPROVING THE TRANSFER OF CERTAIN PROPERTY TO THE CITY OF LANCASTER AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, the Oversight Board for the Successor Agency to the Lancaster Redevelopment Agency ("Oversight Board") previously approved a Long Range Property Management Plan (the "2013 LRPMP") as submitted by the Successor Agency to the Lancaster Redevelopment Agency (the "Successor Agency"); and

WHEREAS, the Successor Agency received comments from the California Department of Finance ("DOF") indicating that certain revisions were required to the 2013 LRPMP, following the receipt of which the Successor Agency prepared and submitted to the Oversight Board for its consideration a revised draft long range property management plan, in a form subsequently approved by the Oversight Board and, thereafter, DOF in 2015 (as so amended, the "LRPMP"); and

WHEREAS, among the properties listed in the LRPMP are those certain properties listed in Exhibit "A" hereto (the "Listed Properties"); and

WHEREAS, the former Lancaster Redevelopment Agency ("Former Agency") engaged in efforts to market the Listed Properties for sale. Efforts by the Former Agency to sell the Listed Properties were not successful; and

WHEREAS, the City is prepared to pay and now offers to pay for the Listed Properties (and each of them) the respective amounts therefor as set for in the accompanying staff report (each amount constituting the "Price" and, as aggregated, the "Prices"), with the cost for preparation of title insurance policies, escrow fees and other closing costs to be allocated in the manner customary for transactions in southern California. The Prices, less those costs allocable to the Successor Agency as seller, would be applied as part of the redevelopment property tax trust fund ("RPTTF") and thus would be available to be factored out ratably among taxing agencies. In addition to benefiting from the allocation of purchase money (net of closing costs), the taxing agencies would benefit by the Successor Agency being spared the cost and burden for the ongoing maintenance of the Listed Properties; and

WHEREAS, the disposition of the Listed Properties by the Successor Agency to the City is subject to approval by the Oversight Board; and

WHEREAS, the offer of the City to purchase the Listed Properties on the terms set forth above, in addition to other customary terms and conditions, is set forth in the draft agreement for the sale by Successor Agency to the City of the Property, in the form submitted herewith (the "Purchase and Sale Agreement"). It is understood and approved that a separate Purchase and Sale Agreement may be approved as to each of the Listed Properties; and

WHEREAS, by this Resolution, the Successor Agency desires to approve the transfer of each of the Listed Properties by the Successor Agency to the City on the terms set forth above in this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY AS FOLLOWS:

Section 1. The Successor Agency finds and determines that the foregoing recitals are true and correct. In particular, the Successor Agency specifically finds that (i) the disposition of each of the Listed Properties as described in the foregoing portion of this Resolution is consistent with and in furtherance of the LRPMP; (ii) the disposition of each of the Listed Properties as described above reflects that property is not be retained for future redevelopment activities but is instead being transferred by deed and (iii) under each of the bases set forth in the foregoing portion of this Section 1 (namely, (i) and (ii), respectively, each independently effective), the City shall not be required to enter into compensation agreements with taxing entities with respect to one or more of the Listed Properties or make any payment other than the Prices and a buyer's customary share of closing costs.

Section 2. The Successor Agency approves and consents to the transfer by deed or other means of each of the Listed Properties by the Successor Agency to the City. The Successor Agency approves a Purchase and Sale Agreement substantially in the form submitted as to each of the Listed Properties and authorizes and directs the Executive Director to execute a Purchase and Sale Agreement as to each of the Listed Properties and to execute a grant deed or grant deeds or other form of deed to transfer each of the Listed Properties to the City as well as such other instruments as may be necessary or convenient to effect the transfer of the Listed Properties to the City as described herein.

Section 3. In the event a transfer of a particular Listed Property is hereafter not approved, or if the City hereafter elects to refrain from taking title to such Listed Property, this Resolution shall remain in full force and effect as to the remainder of the Listed Properties.

Section 4. The Successor Agency shall maintain on file as a public record this Resolution.

PASSED, APPROVED, AND ADOPTED this 12th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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, California, do hereby certify that this is a true and correct copy of the original
Resolution No. SA 04-18, 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)

EXHIBIT "A"
LISTED PROPERTIES

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

A non-exclusive easements for ingress and egress of motor vehicles and pedestrians to permit the free flow of vehicular and pedestrian ingress and egress to, from, over and across the Southerly 12.00 feet and the Westerly 15 feet of Parcel 9 and the Westerly 15 feet of Parcel 10 of amended Parcel Map No. 24368, in the City of Lancaster, as per map filed in Book 273, Pages 65 to 10 inclusive of parcel maps, in the office of the County Recorder of said county.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Also, except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

The South half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-958

Parcel 9

The North half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-959

Parcel 10

0.48 MORE OR LESS AC BEING EX OF ST LOT COM E 191.625 FT FROM NE COR OF TRACT NO 17256 TH E 161.625 FT TH S 0°02'27" E 150 FT TH W 161.625 FT TH N 0°02'27" W TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901

Parcel 11

All of that parcel of land being the Southwest quarter of the Northeast quarter of Section 28, Township 7 North, Range 12 West, San Bernardino Base and Meridian, in the City of Lancaster, County of Los Angeles, State of California, according to the official plat of said land, except therefrom that portion lying easterly of the land described as Parcels, 1, 2 and 3 in the Deed to the State of California recorded June 27, 1968 as Instrument No. 417, Official Records of said County, said parcel of land also being described in the Certificate of Compliance recorded September 1, 1988 as Instrument No. 88-1395036, Official Records of said County.

EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

BEGINNING at a point on the West line of said Northeast quarter of Section 28 distant North 0°24'01" West 547.17 from the Southwest corner thereof; thence,

1st - South 89°38'50" East 767.88 feet to the East line of said land, being also the West line of said Parcel 1 in the Deed to the State of California.

Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

SELLER: Successor Agency to the Lancaster
Redevelopment Agency

BUYER: City of Lancaster, a municipal corporation and
charter city

DATED: June 19, 2018

**APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-
015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-
015-958, 3153-015-959, 3132-009-901, 3125-009-904**

BASIC TERMS

Buyer: City of Lancaster, a municipal corporation and charter city

Buyer's Address: City of Lancaster
Attention: Chenin Dow
44933 N. Fern Avenue
Lancaster, CA 93534
Email: cdow@cityoflanaster.org

Closing Contingency Date: August 31, 2018

Closing Date (or Closing) Estimated to occur by August 17, 2018, but not later than the Outside Date

Deed: A grant deed in the form of Exhibit B hereto

Effective Date: June 19, 2018

Escrow Holder: First American Title Company
42220 10th Street West, Suite 108
Lancaster, California 91761
Attention: Marnie Kennedy, Senior Escrow Officer/Branch Manager
(direct: (661) 206-3415; email: mkennedy@firstam.com)

Independent Consideration Amount: One Hundred Dollars (\$100.00)

Outside Date: October 17, 2018; provided that such date may be extended with the prior written approval of Buyer and Seller, each acting in the discretion of its chief executive officer

Purchase Price: _____ Dollars (\$ _____)

Real Property: That property described in Exhibit A hereto; the subject property is sometimes referred to as APN(s) _____

Seller: Successor Agency to the Lancaster Redevelopment Agency

Seller's Address: 44933 N. Fern Avenue
Lancaster, California 93534
Attention: Chenin Dow
Tel. (661) 723-6165
Email: cdow@cityoflanaster.org

Soil and Title Contingency Date: July 31, 2018

Title Company:

First American Title Company
42220 10th Street West, Suite 108
Lancaster, California 91761
Attention: Steve DeGrandis, Senior Title Officer
(direct: (661) 206-3421; email: sdegrandis@firstam.com)

**PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS**

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** (“Agreement”) is made and entered into as of June 19, 2018 (the “Effective Date”) by and between Seller and Buyer.

RECITALS

- A. Seller is the fee owner of the Real Property.
- B. Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer has considered the offer by Seller and agrees to buy from Seller the Real Property, as more specifically described below.
- C. In addition to the Purchase Price, material considerations to Seller in agreeing to enter into this Agreement, Buyer has agreed to pay to Seller the Independent Consideration Amount as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **Purchase and Sale.** Seller hereby agrees to sell the Real Property to Buyer, and Buyer hereby agrees to purchase the Real Property from Seller, on the terms and conditions set forth in this Agreement. The term Real Property is defined collectively as the following: The fee interest in the Real Property to be conveyed by a grant deed in the form of the Deed.

2. **Payment of Consideration.** As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price for the Real Property. Upon receipt of the Purchase Price (less any adjustments made to clear liens and to defray Seller’s costs of sale including, but not limited to, the preparation of legal documents and costs incurred by the Buyer or Seller to validate the purchase price and the Seller’s share of closing costs), Seller may use such moneys for any purpose of its choosing.

3. **Escrow and Independent Consideration.**

(a) **Opening of Escrow.** For the purposes of this Agreement, the escrow (“Escrow”) shall be deemed opened (“Opening of Escrow”) on the date that Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Buyer and Seller shall use their best efforts to cause the Opening of Escrow to occur on or before five (5) business days after the Effective Date. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instruments shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Agreement, then the terms of this Agreement shall control. Without limiting the

generality of the foregoing, no such instruments shall extinguish any obligations imposed by this Agreement or any other agreement between Seller and Buyer.

(b) **Independent Consideration.** (i) Within two (2) days after the Effective Date, Buyer shall pay to Seller the Independent Consideration Amount to be retained by Seller as non-refundable independent consideration but applicable to the Purchase Price. The Independent Consideration Amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement and Buyer holding the Real Property off the market for a period commencing as of the Effective Date and continuing until the Outside Date and for the rights and privileges granted to Buyer herein, including any and all rights granted to Buyer to terminate this Agreement under the circumstances provided for herein. Notwithstanding anything to the contrary contained in this Agreement, the Independent Consideration Amount shall be non-refundable in all events, except for (i) Seller's default hereunder, (ii) the failure of the Oversight Board of the Successor Agency to the Lancaster Redevelopment Agency (the "Oversight Board") to approve the sale of the Real Property as provided under this Agreement, and (iii) actions by the California Department of Finance ("DOF") which prevent the disposition of the Real Property to Buyer as provided under this Agreement. If the Closing occurs, a credit shall be applied to the Purchase Price based upon payment of the Independent Consideration Amount.

(ii) **Closing.** For purposes of this Agreement, the "Closing" or "Closing Date" shall be the date the Deed (as defined below) is recorded pursuant to applicable law in the county in which the Real Property is located. Unless changed in writing by Buyer and Seller, the Closing shall occur on the Closing Date, or as soon thereafter as the conditions precedent to closing are satisfied pursuant to Sections 6 and 7 of this Agreement. If the Closing has not, for any reason, occurred by the Closing Date, then either Buyer or Seller may terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of such termination, then such termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party.

4. Seller's Delivery of Real Property and Formation Documents. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the following items (collectively, the "Property Documents"):

(a) Such proof of Sellers' authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company consistent with the terms of this Agreement, including without limitation approval of the Oversight Board of the sale of the Real Property by Seller to Buyer or evidence that such approval is not necessary.

In addition, Seller shall cause Escrow Holder to obtain and deliver to Buyer a Natural Hazard Report as provided for under Sections 1102 and 1103 of the California Civil Code (the "Natural Hazard Report") on or before the Soil and Title Contingency Date.

5. Buyer's Right of Entry. From and after the Opening of Escrow through the earlier to occur of the termination of this Agreement or the Soil and Title Contingency Date, or as otherwise agreed in writing by Seller prior to entry is effected, Buyer and Buyer's employees, agents, consultants and contractors shall have the right to enter upon the Real Property during normal business hours, provided reasonable prior notice has been given to Seller.

(a) Investigation of the Real Property. In addition to the foregoing, the Buyer shall have the right, at its sole cost and expense, prior to the Soil and Title Contingency Date, to engage its own environmental consultant (the "Environmental Consultant") to make such investigations as Buyer deems necessary or appropriate, including any "Phase 1" or "Phase 2" investigations of the Real Property. If, based upon such evaluation, inspections, tests or investigation, Buyer determines that it, in its discretion, does not wish to proceed with purchase of the Real Property based upon the condition of the Real Property, Buyer may cancel this Agreement by giving written notice of termination to Seller on or before the Soil and Title Contingency Date which specifically references this Section 5. If Buyer does not cancel this Agreement by the time allowed under this Section 5, Buyer shall be deemed to have approved the evaluation, inspections and tests as provided herein and to have elected to proceed with this transaction on the terms and conditions of this Agreement. Buyer shall provide a copy to Seller of all reports and test results provided by Buyer's Environmental Consultant promptly after receipt by the Buyer of any such reports and test results without any representation or warranty as to their accuracy or completeness.

Buyer shall bear all costs, if any, associated with restoring the Real Property to the condition prior to its testing by or on behalf of Buyer if requested to so do by Seller. Buyer is a sophisticated party and is familiar with the acquisition and use of property, including for commercial uses.

(b) No Warranties as to the Real Property. The physical condition and possession of the Real Property, is and shall be delivered from Seller to Buyer in an "as is" condition, with no warranty expressed or implied by Seller. In addition, Seller makes no representations, warranties or assurances concerning the Real Property, its suitability for any particular use or with regard to the approval process for entitlements as to the Real Property.

6. Buyer's Conditions Precedent and Termination Right.

(a) Conditions Precedent. Buyer's obligation to consummate the purchase of the Real Property under this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, "Buyer's Contingencies"), which are for Buyer's benefit only.

(i) Title Review. Within thirty (30) calendar days after the Opening of Escrow, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the "Report") describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the "Exceptions") set forth in the Report; provided that the cost of the Report shall be borne by Seller. On or before the Soil and Title Contingency Date, Buyer shall have approved in writing, in Buyer's sole discretion, any matters of title disclosed by the following (collectively, the "Title Documents"): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Real Property and (iv) any survey Buyer desires to obtain at Buyer's sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent).

(ii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company's premium, have agreed to issue to Buyer, a standard ALTA owner's policy of title insurance insuring only as to matters of record title ("Standard

Buyer's Title Policy") in the amount of the Purchase Price showing fee title to the Real Property vested solely in Buyer and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Real Property created by or with the written consent of Buyer; and (iv) those matters specifically approved in writing by Buyer. Buyer shall have the right, at its sole cost and expense, to obtain coverage beyond that offered by a Standard Buyer's Title Policy (such as an owner's extended coverage ALTA policy); provided, however, that Buyer's ability to obtain such extended coverage shall not be a Buyer's Contingency and Buyer's obligations hereunder shall in no way be conditioned or contingent upon obtaining such extended coverage. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any endorsements and for any survey or other matters required by the Title Company for such extended coverage.

In the event Buyer enters into a loan agreement to generate moneys to purchase the Real Property from Seller under this Agreement, Buyer and not Seller shall be responsible for the title insurance, closing costs and any other costs, fees or expenses in relation to Buyer obtaining such loaned moneys. The sale shall be all cash to Seller.

(iii) Physical and Legal Inspections and Studies. On or before Soil and Title the Contingency Date, Buyer shall have approved in writing, in Buyer's sole and absolute discretion, the results of any physical and legal (but not feasibility or economic) inspections, investigations, tests and studies Buyer elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; soils, seismic and geologic reports; environmental audits, inspections and studies; environmental investigation or other invasive or subsurface testing; and any other physical or legal inspections and/or investigations as Buyer may elect to make or obtain.

(iv) Natural Hazard Report. Seller shall cause the Escrow Holder to provide to Buyer prior to the Soil and Title Contingency Date the Natural Hazard Report described at Section 8(a)(iii) of this Agreement; provided that Seller shall bear the cost to prepare such Natural Hazard Report.

(v) Property and Formation Documents. On or before the Soil and Title Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the terms, conditions and status of all of the Property Documents.

(vi) Delivery of Documents. Seller's delivery of all documents described in Section 8, below.

(vii) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(viii) Title Company Confirmation. The Title Company shall have confirmed that it is prepared to issue the Buyer's Title Policy consistent with the provisions of this Agreement.

(ix) Oversight Board and DOF Approval. The Oversight Board and, if required as a condition of the issuance of title insurance or by either party hereto, approval by DOF,

shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement.

(x) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) Termination Right. Each of (i) and (ii) shall operate independently and each shall entitle Seller to terminate this Agreement, as follows:

(i) If the Independent Consideration Amount is not paid by Buyer to Seller by the time set forth therefor in Section 3(b)(i) of this Agreement, then this Agreement may terminate at the election of Seller upon Seller giving written notice thereof to Buyer;

(ii) If any of Buyer's Contingencies are not met by the Outside Date, and Buyer so informs Seller, Buyer may, by written notice to Seller, terminate this Agreement.

If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If the Agreement has not been terminated pursuant to (i) or (ii) of this Section 6(b) and Buyer has not terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Monday preceding the scheduled Closing ("Termination Notice Deadline"), then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as the items set forth in Sections 6(a)(i)-(xi) inclusive, prior to the Termination Notice Deadline, such Buyer's Contingencies shall be deemed to have been satisfied.

If this Agreement is terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees.

(c) Seller's Cure Right. Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

7. **Seller's Conditions Precedent and Termination Right.** Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following condition precedent ("Seller's Contingencies"), which are for Seller's benefit only:

(a) **Completion of Title Review.** Seller shall have received written confirmation from Buyer on or before the Soil and Title Contingency Date that Buyer has completed its review of title and that the condition of title satisfactory.

(b) **Confirmation Regarding Buyer's Title Policy.** Seller shall have received written confirmation from Buyer on or before the Soil and Title Contingency Date that Buyer has approved a pro forma title policy.

(c) **Liens.** Seller shall have obtained the consent of any lien holder to the release of such liens prior to or concurrent with closing.

(d) **Oversight Board and DOF Approval.** The approval by the Oversight Board and DOF shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement unless the Title Company determines that such approval is not required in order for the Title Company to insure title.

(e) **Delivery of Documents.** Buyer's delivery of all documents described in Section 9(a), below.

Should any of Buyer's Contingencies not be met by the respective times set forth for the satisfaction for such contingency (and without regard to whether all such contingencies have been removed or satisfied) and Buyer has so informed Seller, Seller may, by written notice to Buyer, terminate this Agreement; such termination rights shall be in addition to those termination rights of Seller as set forth in Section 6. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer.

8. **Seller's Deliveries to Escrow Holder.**

(a) **Seller's Delivered Documents.** At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) **Deed.** The Deed attached hereto as Exhibit B.

(ii) **FIRPTA/Tax Exemption Forms.** The Transferor's Certification of Non-Foreign Status in the form attached hereto as Exhibit C (the "FIRPTA Certificate"), together with any necessary tax withholding forms, and a duly executed California Form 593-C, as applicable (the "California Exemption Certificate").

(iii) **Hazard Disclosure Report.** Unless earlier delivered to Buyer, Seller shall cause Escrow Holder to obtain and deliver to Buyer, at Seller's cost, a Natural Hazard Report as provided for under Sections 1102 and 1103 of the California Civil Code (the "Natural Hazard Report") before the Closing.

(iv) Possession of Real Property. Possession of the Real Property free of any tenancies or occupancy.

(v) Authority. Such evidence of Seller's authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company which are consistent with the terms of this Agreement.

(vi) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company which are consistent with the terms of this Agreement.

(b) Failure to Deliver. Should any of Seller's Delivered Items not be timely delivered to Escrow, Buyer may, by written notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such notice provide Seller with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer. Under no circumstances shall Buyer have any responsibility to or duty to pay consultants or real estate brokers retained by Seller, Seller being solely responsible in connection with any such contractual arrangements of Seller.

9. Buyer's Deliveries to Escrow. At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following, each duly executed and acknowledged, by Buyer as appropriate ("Buyer's Delivered Items"):

(a) Purchase Price. The Purchase Price, less amounts which Seller confirms in writing to Escrow Holder were theretofore paid to Seller as the Independent Consideration Amount, together with additional funds as are necessary to pay Buyer's closing costs set forth in Section 10(b) herein. In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code, as evidenced by the delivery at Closing of the California Exemption Certificate duly executed by Seller, Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer for payment to the California Franchise Tax Board in accordance with Section 11(b) hereof. In the event Seller is not exempt from such withholding or does not otherwise deliver the California Exemption Certificate at Closing, Buyer shall execute and deliver three (3) originals of California Form 593 to Title Company at or immediately after Closing.

(b) Change of Ownership Report. One (1) original Preliminary Change of Ownership Report.

(c) Final Escrow Instructions. Buyer's final written escrow instructions to close escrow in accordance with the terms of this Agreement.

(d) Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or the Title Company.

(e) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

10. Costs and Expenses.

(a) Seller's Costs. If the transaction contemplated by this Agreement is consummated, then Seller shall be debited for and bear the following costs: (i) costs and charges associated with the removal of encumbrances; (ii) Seller's share of prorations; (iii) one half of the premium for a Standard Buyer's Title Policy with coverage in the amount of the Purchase Price; (iv) one half of the Escrow Holder's fee; (v) one half of the appraisal charges incurred by Seller or the Buyer as to the Real Property; (vi) documentary recording fees, if any; (vii) documentary transfer tax, if any; and (viii) costs, if any, allocable to Seller under this Agreement and costs for such services as Seller may additionally request that Escrow perform on its behalf (which foregoing items collectively constitute "Seller's Costs and Debited Amounts").

(b) Buyer's Costs. If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) one half of the Escrow Holder's fee; (ii) Buyer's share of prorations, (iii) one half of the premium for a Standard Buyer's Title Policy with coverage in the amount of the Purchase Price; (iv) the premium for title insurance other than or in excess of a Standard Buyer's Title Policy based on the Purchase Price, and, if applicable, the cost for any survey required in connection with the delivery of an ALTA owner's extended coverage policy of title insurance; (v) one half of escrow charges; (vi) one half of the appraisal charges incurred by Seller or the Buyer as to the Real Property; (vii) one half of recording and other costs of closing; (viii) costs, if any, for such services as Buyer may additionally request that Escrow perform on its behalf; (ix) any remuneration payable to Buyer's Agent (which may be paid outside of escrow as referenced in Section 9(e), above); and (x) any costs associated with Buyer borrowing money in order to pay to Seller the Purchase Price (collectively, "Buyer's Costs and Debited Amounts").

(c) Generally. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby. Escrow Holder shall disburse those amounts for matters referenced in Section 2 as directed in writing by Seller. Buyer represents to Seller that Buyer has not engaged the services of any consultants, finders or real estate brokers in connection with the purchase of the Real Property from the Seller other than Buyer's Agent; Buyer shall be solely responsible to compensate Buyer's Agent, which shall occur outside of escrow and is a matter with which Escrow Holder and Seller need not be concerned. Seller represents to Buyer that Seller has not engaged the services of any consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer.

11. Prorations; Withholding.

(a) All revenues (if any) and expenses relating to the Real Property (including, but not limited to, property taxes, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date; provided that all delinquent taxes shall be satisfied at the expense of Seller. Not less than five (5) business days prior to the Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval (the "Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate

information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

(b) In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code (the "Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed by Seller, (i) Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed copies of California Form 593 to Title Company at or immediately after Closing, (iii) two (2) copies of California Form 593 shall be delivered by Title Company to Seller, and (iv) on or before the 20th day of the month following the month title to the Real Property is transferred to Buyer (as evidenced by the recording of the Grant Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) copy of California Form 593 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 593), to the California Franchise Tax Board.

12. Closing Procedure. When the Title Company is unconditionally prepared (subject to the payment of the premium therefor) to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow in the manner and order provided below.

(a) Recording. Escrow Holder shall cause the Deed to be recorded pursuant to applicable law in the county in which the Real Property is located and obtain conformed copies thereof for distribution to Buyer and Seller.

(b) Disburse Funds. Escrow Holder shall debit or credit (as provided herein) all Buyer's Costs and Debited Amounts, Seller's Costs and Debited Amounts and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (which have been confirmed in writing by Seller to Escrow Holder and which may include any liens as to which such liens and the amount to satisfy such liens) shall be distributed by check payable to Seller unless Escrow Holder is instructed otherwise in writing signed by Seller (and, in such event, in accordance with such instructions). Seller authorizes Escrow Holder to request demands for payment and to make such payments from the Purchase Price (or such other funds, if any, as are advanced by Seller) to defray the cost of removing deeds of trust, liens and other encumbrances (but not for obligations of Buyer). Escrow Holder shall disburse on behalf of Buyer such moneys as are deposited by Buyer (in addition to the Purchase Price and Buyer's share of closing costs) as the commission for Buyer's Agent (unless Buyer's Agent shall deliver a written statement to Escrow Holder which indicates that Buyer has arranged to pay Buyer's Agent outside escrow and that payment of such remuneration is a matter with respect to which Escrow Holder and Seller need not be concerned).

(c) Documents to Seller. Escrow Holder shall deliver to Seller a conformed copy of the Deed, and documents, if any, recorded on behalf of any lender, as duly recorded among the official land records of the County of Los Angeles, and a copy of each other document (or copies thereof) deposited into Escrow by Buyer pursuant hereto.

(d) Documents to Buyer. Escrow Holder shall deliver to Buyer the original FIRPTA Certificate, the original California Exemption Certificate (as applicable), and a conformed copy of each of the Deed as duly recorded among the official land records of the County of Los Angeles, the Natural Hazard Report, one of the instruments described in subsection (f) of Section 7 hereof, and each other document (or copies thereof) deposited into Escrow by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) Title Company. Escrow Holder shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) Closing Statement. Escrow Holder shall forward to both Buyer and Seller a separate accounting of all funds received and disbursed for each party.

(g) Informational Reports. Escrow Holder shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

(h) Possession. Possession of the Real Property shall be delivered to Buyer at the Closing.

13. Representations and Warranties.

(a) Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which are material inducements to Buyer to enter into this Agreement (and but for which Buyer would not have entered into this Agreement) and shall survive Closing:

(i) Seller believes that it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated, subject to the approval of the Oversight Board and, as may be applicable, DOF.

(ii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, Seller believes that all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, the individual executing this Agreement and the instruments referenced herein on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Seller believes that neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note

or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Real Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the right of Seller to convey the Real Property. There are no claims which have been received by Seller that have not been disclosed to Buyer.

(vi) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing.

(vii) There are no leases or rental agreements in effect as to the Real Property.

(viii) Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

(xi) There are not as of the Effective Date, nor will there be as of the Closing, any written or oral leases or contractual right or option to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Real Property or any part thereof, and no person other than Buyer shall have any right of possession to the Real Property or any part thereof as of the Closing.

(xii) No person, excepting Seller, has possession or any rights to possession of the Real Property or portion thereof.

(b) Subsequent Changes to Seller's Representations and Warranties. If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(c) Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder):

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(d) Subsequent Changes to Buyer's Representations and Warranties. If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

14. Fair Value Price. Each of Buyer and Seller believe that the Purchase Price represents a fair value price for the Real Property. At such time as Buyer makes improvements to the Real Property, the costs for planning, designing, and constructing such improvements shall be borne exclusively by the Buyer and the Buyer shall construct or cause to be constructed such improvements in compliance with all the zoning, planning and design review requirements of the Lancaster Municipal Code, and all nondiscrimination, labor standard, and wage rate requirements to the extent such labor and wage requirements are applicable.

15. General Provisions.

(a) Condemnation. If any material portion of the Real Property shall be taken or appropriated by a public or quasi-public authority exercising the power of eminent domain, Buyer shall have the right, at its option, to (i) terminate this Agreement or (ii) proceed with the purchase of the Real Property and receive all of the award or payment made in connection with such taking.

(b) Notices. All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Terms section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

(c) Brokers. Seller assumes sole responsibility for any consultants or brokers ("Seller's Agents") it may have retained in connection with the sale of the Real Property (and Buyer shall have no responsibility in connection with such matters). Seller represents to Buyer that Seller has engaged no private parties as consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer, and there are no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Seller agrees to and does hereby indemnify and hold the Buyer free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the Seller in connection with this Agreement. Buyer assumes sole responsibility for any consultants or brokers ("Buyer's Representatives") it may have retained in connection with the purchase of the Real Property (and Seller shall have no responsibility in connection with such matters). Buyer represents to Seller that Buyer has engaged no consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer, and there are no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Buyer agrees to and does hereby indemnify and hold the Seller free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the Buyer in connection with this Agreement.

(d) Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of

obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

(e) Cooperation. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof and, following Closing.

(f) Remedies. Without limitation as to the availability of other remedies, this Agreement may be enforced by an action for specific enforcement.

(g) Time. Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(h) Extensions at Sole Discretion of Seller. In the event Buyer requests that Seller extend the time for sale of the Real Property, such request may be granted, conditionally granted or denied at the sole and absolute discretion of Seller.

(i) Counterparts; Facsimile Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

(j) Captions. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(k) No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(l) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(m) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(n) Applicable Law. This Agreement shall be governed by and construed in accordance with the local law of the State of California.

(o) Exhibits and Schedules. The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(p) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(q) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(r) Assignment. Neither party may assign its rights under this Agreement without the prior consent of the other party.

[signatures begin on the following page]

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

“SELLER”

SUCCESSOR AGENCY TO THE LANCASTER REDEVELOPMENT AGENCY, a public entity, corporate and politic

By: _____
Mark V. Bozigian
Executive Director

“BUYER”

CITY OF LANCASTER, a municipal corporation and charter city

By: _____
Name: Mark V. Bozigian
Its: City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Acceptance by Escrow Holder:

First American Title Company hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between the Successor Agency to the Lancaster Redevelopment Agency, a public entity, corporate and politic (“Seller”), and City of Lancaster, a municipal corporation and charter city (“Buyer”) and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____, 2018

FIRST AMERICAN TITLE COMPANY

By: _____

Name: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells,

tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

A non-exclusive easements for ingress and egress of motor vehicles and pedestrians to permit the free flow of vehicular and pedestrian ingress and egress to, from, over and across the Southerly 12.00 feet and the Westerly 15 feet of Parcel 9 and the Westerly 15 feet of Parcel 10 of amended Parcel

Map No. 24368, in the City of Lancaster, as per map filed in Book 273, Pages 65 to 10 inclusive of parcel maps, in the office of the County Recorder of said county.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Also, except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

The South half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-958

Parcel 9

The North half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-959

Parcel 10

0.48 MORE OR LESS AC BEING EX OF ST LOT COM E 191.625 FT FROM NE COR OF TRACT

NO 17256 TH E 161.625 FT TH S 0°02'27" E 150 FT TH W 161.625 FT TH N 0°02'27" W

TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

Parcel 11

All of that parcel of land being the Southwest quarter of the Northeast quarter of Section 28, Township 7 North, Range 12 West, San Bernardino Base and Meridian, in the City of Lancaster, County of Los Angeles, State of California, according to the official plat of said land, except therefrom that portion lying easterly of the land described as Parcels, 1, 2 and 3 in the Deed to the State of California recorded June 27, 1968 as Instrument No. 417, Official Records of said County, said parcel of land also being described in the Certificate of Compliance recorded September 1, 1988 as Instrument No. 88-1395036, Official Records of said County.

EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

BEGINNING at a point on the West line of said Northeast quarter of Section 28 distant North 0°24'01" West 547.17 from the Southwest corner thereof; thence,

1st - South 89°38'50" East 767.88 feet to the East line of said land, being also the West line of said Parcel 1 in the Deed to the State of California.

Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

EXHIBIT B

DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City of Lancaster
Attention: Chenin Dow
44933 N. Fern Avenue
Lancaster, CA 93534

APNs: 3153-067-007, 3153-067-008, 3153-067-009,
3153-015-045, 3153-015-046, 3153-015-047,
3153-015-048, 3153-067-900, 3153-067-912,
3153-015-958, 3153-015-959, 3132-009-901,
3125-009-904

[Space above for recorder.]

DOCUMENTARY TRANSFER TAX \$(exempt;
no consideration; exempt from recording charges,
Government Code Section 27383)

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Lancaster Redevelopment Agency, a public entity, corporate and politic (“Grantor”), hereby grants to City of Lancaster, a municipal corporation and charter city, that certain real property located in the County of Los Angeles, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and covenants of record. IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2018.

**SUCCESSOR AGENCY TO THE LANCASTER
REDEVELOPMENT AGENCY**

By: _____
Name: Mark V. Bozigian
Title: Executive Director

ATTACHMENT NO. 1 TO GRANT DEED

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells,

tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

A non-exclusive easements for ingress and egress of motor vehicles and pedestrians to permit the free flow of vehicular and pedestrian ingress and egress to, from, over and across the Southerly 12.00 feet and the Westerly 15 feet of Parcel 9 and the Westerly 15 feet of Parcel 10 of amended Parcel

Map No. 24368, in the City of Lancaster, as per map filed in Book 273, Pages 65 to 10 inclusive of parcel maps, in the office of the County Recorder of said county.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Also, except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

The South half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-958

Parcel 9

The North half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-959

Parcel 10

0.48 MORE OR LESS AC BEING EX OF ST LOT COM E 191.625 FT FROM NE COR OF TRACT

NO 17256 TH E 161.625 FT TH S 0°02'27" E 150 FT TH W 161.625 FT TH N 0°02'27" W

TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

Parcel 11

All of that parcel of land being the Southwest quarter of the Northeast quarter of Section 28, Township 7 North, Range 12 West, San Bernardino Base and Meridian, in the City of Lancaster, County of Los Angeles, State of California, according to the official plat of said land, except therefrom that portion lying easterly of the land described as Parcels, 1, 2 and 3 in the Deed to the State of California recorded June 27, 1968 as Instrument No. 417, Official Records of said County, said parcel of land also being described in the Certificate of Compliance recorded September 1, 1988 as Instrument No. 88-1395036, Official Records of said County.

EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

BEGINNING at a point on the West line of said Northeast quarter of Section 28 distant North 0°24'01" West 547.17 from the Southwest corner thereof; thence,

1st - South 89°38'50" East 767.88 feet to the East line of said land, being also the West line of said Parcel 1 in the Deed to the State of California.

Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

CERTIFICATE OF ACCEPTANCE

This is to certify that the fee interest in real property conveyed under the foregoing deed by Successor Agency to the Lancaster Redevelopment Agency, as to the following property:

Real property in the City of Lancaster, County of Los Angeles, State of California, described as follows:

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land

including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

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APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

The South half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-958

Parcel 9

The North half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-959

Parcel 10

0.48 MORE OR LESS AC BEING EX OF ST LOT COM E 191.625 FT FROM NE COR OF TRACT

NO 17256 TH E 161.625 FT TH S 0°02'27" E 150 FT TH W 161.625 FT TH N 0°02'27" W

TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

Parcel 11

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EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

BEGINNING at a point on the West line of said Northeast quarter of Section 28 distant North 0°24'01" West 547.17 from the Southwest corner thereof; thence,

1st - South 89°38'50" East 767.88 feet to the East line of said land, being also the West line of said Parcel 1 in the Deed to the State of California.

Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

is hereby accepted by the City Manager of the City of Lancaster, a municipal corporation and charter city (the "City") on behalf of the City Council of City pursuant to authority conferred by action of the City Council, and the Grantee consents to recordation thereof by its duly authorized officer.

CITY OF LANCASTER,
a municipal corporation and charter city

Dated: _____, 2018

By: _____
Mark V. Bozigian
Its: City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

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 the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
 Corporate Officer

Title(s)

- Partner(s) Limited General
 Attorney-In-Fact
 Trustee(s)
 Guardian/Conservator
 Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

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 the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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- Individual
 Corporate Officer

Title(s)

- Partner(s) Limited General
 Attorney-In-Fact
 Trustee(s)
 Guardian/Conservator
 Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

EXHIBIT C

FIRPTA CERTIFICATE

TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS

To inform City of Lancaster ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code") will not be required upon the transfer of certain real property to the Transferee by the Successor Agency to the Lancaster Redevelopment Agency (the, "Transferor"), the undersigned hereby certifies the following:

1. The Transferor is not a foreign person or citizen, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. The Transferor's social security number or U.S. employer identification number is as follows: _____.

3. The Transferor's home or office address is:

44933 N. Fern Avenue
Lancaster, California 93534

The Transferor understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment or both. Under penalty of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document.

**SUCCESSOR AGENCY TO THE LANCASTER
REDEVELOPMENT AGENCY**

STAFF REPORT
City of Lancaster

Date: June 12, 2018
To: Mayor Parris and City Council Members
From: Pam Statsmann, Finance Director
Subject: **Check Registers – May 6, 2018 through May 19, 2018**

CC 2
06/12/18
MVB

Recommendation:

Approve the Check Registers as presented.

Fiscal Impact:

\$ 3,582,859.32 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.:	7395538-7395872	\$ 3,110,595.57
ACH/Wire Check Nos.:	101010047-101010058	<u>\$ 472,263.75</u>
		\$ 3,582,859.32
Voided Check No.:	7395691; 7395765	
Voided ACH/Wire No.:	N/A	

PS:sp

Attachments:

Check Register
ACH/Wire Register

City of Lancaster Check Register



From Check No.: 101010047 - To Check No.: 101010058

From Check Date: 05/06/18 - To Check Date: 05/19/18

Printed: 5/22/2018 9:56

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
101010047	04867	CITY OF LANCASTER-PARKS	PETTY CASH-CHANGE FUND	600.00	101 1020004	600.00
101010048	07597	GUARDIAN LIFE INSURANCE CO	05/18-EMP LIFE/DNTL/DISABILITY	97,603.46	101 2166140 101 2166145 101 2166200 101 2166300 101 2166400 101 2166401 101 2170215 109 1101000	31,810.71 1,554.54 42,014.05 5,192.75 3,503.42 3,212.90 4,099.94 6,215.15
				97,603.46		97,603.46
101010049	05987	THE VISITORS BUREAU/LANCASTER	03/18 TBID FEES	41,534.61	101 2501000	41,534.61
101010050	D2446	THE BLVD ASSOCIATION	DLPBID FEES-04/01-30/18	46,482.35	401 2501100	46,482.35
101010051	08721	MASSMUTUAL LIFE INSURANCE CO	04/18-EMPLOYEE WHOLE LIFE INS	1,841.18	101 2170218	1,841.18
101010052	08721	MASSMUTUAL LIFE INSURANCE CO	03/18-EMPLOYEE WHOLE LIFE INS	1,816.42	101 2170218	1,816.42
101010053	08722	COMBINED INS CO OF AMERICA	04/18-EMPLOYEE CHUBB	3,513.66	101 2170217	3,513.66
101010054	08722	COMBINED INS CO OF AMERICA	03/18-EMPLOYEE CHUBB	3,637.14	101 2170217	3,637.14
101010055	08916	TENASKA POWER SERVICES CO	05/18-ENERGY PROCUREMENT	70,125.00	490 4370653	70,125.00
101010056	A7515	U S BANK	DEBT SERVICE DUE-06/01/18	127,708.75	101 4330603 991 1000001 991 1000001 991 3604100 991 4540978	127,708.75 (127,708.75) 127,708.75 (127,708.75) 127,708.75
				127,708.75		127,708.75
101010057	C9589	U S BANK CORP PAYMENT SYSTEMS	05/10/18-CALCARD STATEMENT	74,866.18	101 2601000	74,866.18
101010058	07101	CALPINE ENERGY SOLUTIONS LLC	INV #CALP2018-07PREPAY	2,535.00	490 4370653	2,535.00
Chk Count	<u>12</u>			Check Report Total	<u>472,263.75</u>	

City of Lancaster Check Register



From Check No.: 7395538 - To Check No.: 7395872

From Check Date: 05/06/18 - To Check Date: 05/19/18

Printed: 5/22/2018 10:13

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7395538	08893	VIPER ENTERPRISES, INC	REIMB-RAM OF THE WST IMPRVMENTS	125,000.00	210 15ST065924	125,000.00
7395539	08493	ALTAMIRANO, KEILA LISSET	04/18-VOLUNTEER MEAL ALLOWANCE	90.00	101 4305301	90.00
7395540	D3475	BARBER, TREVIN	TB-PR DM-SNTA CLRA-05/07-09/18	160.00	101 4320256	160.00
7395541	03353	BOZIGIAN, MARK	MB-PR DM-INDN WLLS-05/18-19/18	96.00	101 4200201	96.00
7395542	07381	BULLOCK, AMY	PERF-MONDAY BITEZ-4/30/18	600.00	101 4641251	600.00
7395543	C6516	CAL SOUTH	NSC-PARKING REVENUE	8,024.00	101 4660223	8,024.00
7395544	D0775	CAUDLE, JASON	JC-PR DM-INDN WLLS-05/16-19/18	224.00	101 4200201	224.00
7395545	D3231	COUWENBERG, ANDREA	05/18-CONTRACT SERVICES	10,266.00	101 4644308	10,266.00
7395546	08890	DE LA CRUZ, LARISSA	LDLC-PR DM-LAS VGS-05/20-23/18	224.00	101 4320256	224.00
7395547	D3792	DEFALCO, CATHY	CD-PR DM-REDONDO-05/14-17/18	224.00	490 4370201	224.00
7395548	C6030	HIDDEN FALLS APARTMENTS	REIMB-OMP-DOOR	95.50	101 4810251	95.50
7395549	07635	HOGAN, JEFF	JH-PR DM-LAS VEGAS-05/20-23/18	224.00	101 4320256	224.00
7395550	08247	ICM PARTNERS	DEP-VICKI LAWRENCE-05/18/18	10,000.00	402 4650318	10,000.00
7395551	1214	L A CO SHERIFF'S DEPT	03/18-PRISONER MAINTENANCE	165.70	101 4820355	165.70
7395552	1215	L A CO WATERWORKS	02/20/18-05/02/18 WATER SVC	15,429.40	101 4631654 101 4633654 203 4636654 203 4752654 480 4755654 482 4636654 484 4755654	4,642.59 2,266.58 519.14 3,532.66 1,065.86 2,875.81 526.76 15,429.40
7395553	D2287	LANCASTER CODE ENFRMNT ASSN	UNION DUES-PP 09-2018	360.00	101 2171000	360.00
7395554	08883	LANCASTER HIGH SCHOOL	PF-YOUTH BEVERAGE SALES	395.50	101 3401900	395.50
7395555	A4930	LANDALE MUTUAL WATER COMPANY	L/CHALLENGER-04/18 WATER SVC	55.02	203 4636654	55.02
7395556	08888	LANG, PAULINE	REIMB-PF TICKET	10.00	101 3401900	10.00
7395557	08721	MASSMUTUAL LIFE INSURANCE CO	05/18-EMPLOYEE WHOLE LIFE INS	1,841.18	101 2170218	1,841.18

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7395558	03154	SO CA EDISON	03/23/18-05/03/18 ELECTRIC SVC	19,699.00	101 4540902	455.75
					101 4632652	8,743.55
					101 4633652	2,749.89
					101 4634652	4,274.95
					203 4636652	24.03
					209 12ST032924	36.64
					321 15ST026924	4.90
					402 4650652	2,712.22
					482 4636652	193.17
					483 4752660	95.10
					483 4755652	51.10
					483 4785652	258.80
					483 4785660	59.13
					484 4755652	39.77
		<u>19,699.00</u>	<u>19,699.00</u>			
7395559	1907	SO CA GAS COMPANY	03/26/18-05/01/18 GAS SVC	2,120.61	101 4631655	60.58
					101 4633655	1,261.86
					101 4651655	166.73
					101 4810403	31.86
					402 4650655	599.58
		<u>2,120.61</u>	<u>2,120.61</u>			
7395560	D0617	STEWART, BENJAMIN	EE PHONE REPLACEMENT	120.25	101 4315651	120.25
7395561	C2555	TIME WARNER CABLE	05/18-BUSINESS-MAYORS OFFICE	144.14	101 4315651	144.14
7395562	C2555	TIME WARNER CABLE	05/18-ROADRUNNER SERVICE	232.46	101 4315651	232.46
7395563	08809	VARGAS, KAITLYN	04/18-05/18-VOLNTR MEAL ALLWNC	144.00	101 4305301	18.00
					101 4305301	126.00
				<u>144.00</u>		<u>144.00</u>
7395564	C2434	VINSA INSURANCE ASSOCIATES	PF-10/17-10/18-VENDORS	437.57	101 4682222	437.57
7395565	08290	4WALL ENTERTAINMENT INC	PAC-HAZER RNTL-04/25-05/01/18 PAC-COLOR FRAMES(144)	150.00	402 4650602	150.00
				924.00	402 4650602	924.00
				<u>1,074.00</u>		<u>1,074.00</u>
7395566	A5389	A V FAIR	03/18-WATCH & WAGER COMM	3,726.99	101 2189000	3,726.99
7395567	03854	A V JANITORIAL SUPPLY	LMS-TOWELS/SOAP/CAN LINERS	642.77	101 4632406	642.77
7395568	06123	ACE AIR CONDITIONING & HEATING	LMS-REPROGRAM HVAC UNITS(2) LMS-RESET BOXES AIR SYSTEM	375.00	101 4632402	375.00
				250.00	101 4632402	250.00
				<u>625.00</u>		<u>625.00</u>
7395569	05445	ADELMAN BROADCASTING, INC	PAC-02/18 ADS-LAUGHS FOR LOVRS	210.00	402 4650205	210.00

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7395570	D1663	AMERICAN IRON WORK	LMS-HANDICAP POST/SIGN INSTALL PDW-GATE REPAIRS	650.00 355.00 <u>1,005.00</u>	101 4632402 101 4634402	650.00 355.00 <u>1,005.00</u>
7395571	D3147	AMERICAN PLUMBING SERVICES,INC	LMS-UNCLOG DUGOUT DRAINS LMS-SINK REPAIRS OMP-TOILET PUSH BUTTONS(3)	750.00 286.39 129.33 <u>1,165.72</u>	101 4632402 101 4632402 101 4634403	750.00 286.39 129.33 <u>1,165.72</u>
7395572	D3517	AMERICASPRINTER.COM	PF-PROGRAMS(20000)	1,433.65	101 4682222	1,433.65
7395573	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS	52.33	101 4753209	52.33
7395574	01933	AMERON	POLE/INSTALLATION POLE REPLACEMENTS(4)	5,476.19 10,073.62 <u>15,549.81</u>	483 4755460 483 4755460	5,476.19 10,073.62 <u>15,549.81</u>
7395575	02693	ANDY GUMP, INC	RDP-FENCE RNTL-04/20-05/17/18	33.51	101 4634602	33.51
7395576	08130	ARTAROUND STUDIO	04/18-ART STUDIO INSTRUCTION 04/18-ART STUDIO INSTRUCTION	234.00 336.00 <u>570.00</u>	101 4643308 101 4643308	234.00 336.00 <u>570.00</u>
7395577	07143	ASTRA INDUSTRIAL SERVICES, INC	NSC-BACKFLOW DEVICE	265.40	101 4635404	265.40
7395578	04446	AUTO PROS	SMOG INSPECTION-EQ7607 SMOG INSPECTION-EQ7766	45.00 45.00 <u>90.00</u>	480 4755207 101 4761207	45.00 45.00 <u>90.00</u>
7395579	D0879	B'S EMBROIDERY ETC	UNIFORM HATS(20)	328.50	101 4631209	328.50
7395580	08380	BARRERA, RICARDO	PF-CATERING SVCS-04/21-22/18	551.00	101 4682222	551.00
7395581	01580	BASS, LYNNETTE	04/18-JRP PLAY BRIGADE INSTRCT 04/18-JRP PRESCHOOL INSTRUCTOR 04/18-MOMMY/DADDY/ME INSTRUCTR	1,989.00 3,016.65 468.00 <u>5,473.65</u>	101 4643308 101 4643308 101 4643308	1,989.00 3,016.65 468.00 <u>5,473.65</u>
7395582	01863	BAVCO	RDP-BACKFLOW PRVNTN DVCS/MLVS	128.65	101 4634404	128.65
7395583	C9428	BEACON ATHLETICS LLC	LMS-DRAG MAT/RAKES	411.00	101 4632208	411.00
7395584	06044	BENDER, KRISTINE	04/18-YOGA INSTRUCTOR 04/18-YOGA INSTRUCTOR	252.00 180.00 <u>432.00</u>	101 4643308 101 4643308	252.00 180.00 <u>432.00</u>
7395585	06724	BOWMAN, SUSAN	04/18-GARDENING INSTRUCTOR	84.00	101 4643308	84.00
7395586	06799	BRAUN BLAISING SMITH WYNNE PC	03/18-LCE-LEGAL CONSULTING	37,563.38	490 4370303	37,563.38

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7395587	08094	BURRELLESLUCE	04/18-MONTHLY MEDIA CHARGES	334.80	101 4305301	334.80
7395588	08940	CARQUEST	CRDT-HYDR BSTRS-EQ7504	(479.60)	251 4783207	(479.60)
			SEALED BEAMS(2)-EQ3758	18.37	203 4752207	18.37
			SERP BELT-EQ7607	27.17	480 4755207	27.17
			ENG MNT-EQ1743	105.46	101 4200207	105.46
			DR HNDL-EQ3833	56.37	203 4752207	56.37
			CYLNDR-EQ3831	271.88	203 4752207	271.88
			FTTNGS-EQ3835	4.68	484 4752207	4.68
				4.33		4.33
7395589	05938	CENTERSTAGING LLC	PAC-EQUIPMNT RNTLS-04/28-29/18	785.00	402 4650602	785.00
7395590	07733	CHAMBERS, CYNTHIA A	04/18-KEYBOARD INSTRUCTOR	504.00	101 4643308	504.00
7395591	08885	CHOY, THOMAS	RFND-CLASS REGISTRATION	78.00	101 2182001	78.00
7395592	08886	COLLISION & INJURY DYNAMICS	CLAIM #040-15/CLGL-1346A1	2,000.00	109 4330300	2,000.00
7395593	D2070	CONFIDENTIAL DATA DESTRUCTION	DOCUMENT DESTRUCTION	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
7395594	07545	COSTAR REALTY INFORMATION INC	05/18-PROFESSIONAL SERVICES	958.26	101 4540301	958.26
7395595	08887	CURITORE, ERIC	RFND-RNTL DEP-RDP-04/27-29/18	100.00	101 2182001	100.00
7395596	04677	D C F SOILS	NSC-TOP SOIL(60 YDS)	1,029.30	101 4635404	1,029.30
7395597	C5109	D'S CERAMICS	04/18-POTTERS WHEEL INSTRUCTN	91.00	101 4643308	91.00
			04/18-CHILDRENS ART INSTRUCTN	70.00	101 4643308	70.00
			04/18-POTTERS WHEEL INSTRUCTN	136.50	101 4643308	136.50
				297.50		297.50
7395598	06866	DEPT OF INDUSTRIAL RELATIONS	PAC-INSPECTION-REAR	225.00	402 4650301	225.00
			PAC-INSPECTION-FRONT	225.00	402 4650301	225.00
				450.00		450.00
7395599	01047	DESERT INDUSTRIAL SUPPLY	PBP-PVC COUPLING	5.60	101 4631404	5.60
7395600	00414	DESERT LOCK COMPANY	LMS-DOOR REPAIRS	309.00	101 4632402	309.00
			LMS-PADLOCK/TRI FLOW	29.29	101 4632403	29.29
				338.29		338.29
7395601	07159	DIAZ, BRANDON	04/18-TENNIS INSTRUCTOR	23.10	101 4643308	23.10

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			04/18-TENNIS INSTRUCTOR	210.00	101 4643308	210.00
			04/18-TENNIS INSTRUCTOR	220.50	101 4643308	220.50
			04/18-TENNIS INSTRUCTOR	84.00	101 4643308	84.00
			04/18-TENNIS INSTRUCTOR	280.00	101 4643308	280.00
				<u>817.60</u>		<u>817.60</u>
7395602	08643	EARTH SYSTEMS PACIFIC	CP17008-10TH ST W GAP CLOSURE	2,323.00	206 15ST026924	1,638.41
					321 15ST026924	684.59
				<u>2,323.00</u>		<u>2,323.00</u>
7395603	06533	ENNIS-FLINT, INC.	STREET SIGNS(10)	2,027.30	203 4785454	2,027.30
7395604	06857	ENTERTAINMENTMAX, INC	COMMISSIONS-CHRIS LANE-4/22/18	1,200.00	101 4682222	1,200.00
7395605	06380	EWING IRRIGATION PRODUCTS, INC	PF-PARKING LOT PAINT	288.29	101 4682222	288.29
7395606	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	20.44	361 4541213	20.44
7395607	A8286	FLAG SYSTEMS	PAC-EQUIPMENT RNTL-04/28/18	1,950.00	402 4650602	1,950.00
7395608	08354	FLASH TRAFFIC INC	MTNC YD-MESSAGE BOARD REPAIRS	130.00	101 4632402	130.00
7395609	03430	GRAINGER	LMS-WATER INLET SOLENOID	108.88	101 4632403	108.88
7395610	C0509	GREATER A V ECONOMIC ALLIANCE	ICSC PARTNERSHIP	1,000.00	101 4540340	1,000.00
7395611	00849	HAAKER EQUIPMENT CO	BLOCKS/SHOES-EQ3988	557.94	480 4755207	557.94
			SOLND VLV/RMT AIR-EQ3779	501.85	480 4755207	501.85
				<u>1,059.79</u>		<u>1,059.79</u>
7395612	07044	HARTMAN, BRETT D	SEED COLLECTION/DISPERSAL	1,947.60	224 13EV001924	1,947.60
7395613	07354	HAWLEY, ROBYN	03/18-AM EXERCISE INSTRUCTOR	70.00	101 4643308	70.00
7395614	07127	HUMAN ELEMENT	04/18-BELLYFIT INSTRUCTION	56.00	101 4643308	56.00
			04/18-BARRE INSTRUCTION	196.00	101 4643308	196.00
			04/18-PIYO INSTRUCTION	56.00	101 4643308	56.00
				<u>308.00</u>		<u>308.00</u>
7395615	05609	I M S INFRASTRUCTURE MGMT SRVC	REVIVE 25 PVMNT MNGMNT UPDATE	2,414.15	209 4752301	2,414.15
7395616	D3842	INNOVATION EDUCATION	04/18-ITALIAN INSTRUCTION	280.00	101 4643308	280.00
			04/18-LEGO ROBOTICS	616.00	101 4643308	616.00
			04/18-ITALIAN INSTRUCTION	336.00	101 4643308	336.00
			04/18-ITALIAN INSTRUCTION	56.00	101 4643308	56.00
			04/18-LEGO ROBOTICS	336.00	101 4643308	336.00
				<u>1,624.00</u>		<u>1,624.00</u>
7395617	06623	INTERN'L DANCE FITNESS ACADEMY	04/18-HIP HOP INSTRUCTION	180.00	101 4643308	180.00
			04/18-SALSA INSTRUCTION	96.00	101 4643308	96.00

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			04/18-HIP HOP INSTRUCTION	189.00	101 4643308	189.00
			04/18-HIP HOP INSTRUCTION	105.00	101 4643308	105.00
			04/18-BALLET/TAP INSTRUCTION	720.00	101 4643308	720.00
			04/18-BALLET/TAP INSTRUCTION	432.00	101 4643308	432.00
			04/18-SALSA INSTRUCTION	96.00	101 4643308	96.00
			04/18-SALSA INSTRUCTION	24.00	101 4643308	24.00
				<u>1,842.00</u>		<u>1,842.00</u>
7395618	D4004	J P POOLS	WPL-POOL MAINTENANCE	700.00	101 4631301	700.00
			EPL-POOL MAINTENANCE	800.00	101 4631301	800.00
				<u>1,500.00</u>		<u>1,500.00</u>
7395619	C8259	JOHNSON, LEONARD	04/18-TENNIS INSTRUCTOR	101.50	101 4643308	101.50
			04/18-TENNIS INSTRUCTOR	31.80	101 4643308	31.80
				<u>133.30</u>		<u>133.30</u>
7395620	C8411	JULIE SUTTON PHOTOGRAPHY	PHOTOGRAPHY SERVICES	624.15	101 4100205	624.15
			PHOTOGRAPHY SERVICES	208.05	101 4782253	208.05
				<u>832.20</u>		<u>832.20</u>
7395621	08291	KATZ-ARUSH, SHOSHANA	04/18-HEBREW INSTRUCTOR	156.00	101 4643308	156.00
7395622	D1903	KERN MACHINERY INC-LANCASTER	OMP-GATOR KEYS(6)	30.15	101 4631207	30.15
			OMP-GATOR IGNITION SWITCH	23.19	101 4635207	23.19
				<u>53.34</u>		<u>53.34</u>
7395623	A8656	KIMLEY-HORN & ASSOCIATES INC	CP15006-PROFESSIONAL SERVICES	5,590.00	209 15SW015924	5,590.00
			CP15006-PROFESSIONAL SERVICES	7,280.00	209 15SW015924	7,280.00
			CP15006-PROFESSIONAL SERVICES	5,887.50	209 15SW015924	5,887.50
			CP17004-PROFESSIONAL SERVICES	3,525.00	232 16ST028924	3,525.00
				<u>22,282.50</u>		<u>22,282.50</u>
7395624	C8919	KOCUREK, PHILLIP	04/18-PHOTOGRAPHY INSTRUCTOR	234.00	101 4643308	234.00
7395625	01917	KWIK-KEY SERVICE	LEVRS/PANIC BAR REPRS/INSTLLTN	1,440.00	203 4752402	1,440.00
7395626	A7680	LANCASTER JETHAWKS	LCE-PARTY SUITE NIGHT-06/06/18	1,000.00	490 4370205	1,000.00
			LCE-SIGN INSTALLATION	468.41	490 4370205	468.41
				<u>1,468.41</u>		<u>1,468.41</u>
7395627	1203	LANCASTER PLUMBING SUPPLY	NSC-CONNECTORS/ELBOWS	36.44	101 4635404	36.44
7395628	D3426	LAW OFFICES CHRISTOPHER RAMSEY	CLAIM #017-16/CLGL-1377A1	864.00	109 4330300	864.00
			CLAIM #040-15/CLGL-1346A1	6,642.00	109 4330300	6,642.00
				<u>7,506.00</u>		<u>7,506.00</u>
7395629	07086	LUCKY LUKE BREWING COMPANY	PF-KEGS(10)/COOLER RENTALS(2)	1,832.00	101 4682222	1,832.00
7395630	D3290	MAHOWALD, DAA	04/18-CHESS INSTRUCTOR	59.40	101 4643308	59.40
			04/18-CHESS INSTRUCTOR	617.40	101 4643308	617.40

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				676.80		676.80
7395631	08106	MARTINEZ, CRISTINA A	04/18-BALLET INSTRUCTOR	330.00	101 4643308	330.00
			04/18-BALLET INSTRUCTOR	678.00	101 4643308	678.00
			04/18-BALLET INSTRUCTOR	564.00	101 4643308	564.00
				<u>1,572.00</u>		<u>1,572.00</u>
7395632	C1198	MC PHERSON CONSULTING	OMP-REWIRE LIGHT POLES(2)	150.00	101 4634402	150.00
7395633	08086	MGT OF AMERICA CONSULTING LLC	SB90 ANNUAL CLAIMING	2,695.00	101 4310301	2,695.00
7395634	06673	MILLER, JACK C	04/18-TENNIS INSTRUCTOR	27.00	101 4643308	27.00
			04/18-TENNIS INSTRUCTOR	54.00	101 4643308	54.00
				<u>81.00</u>		<u>81.00</u>
7395635	06936	MOSMAN, DESIREA	03/18-AM EXERCISE INSTRUCTOR	455.00	101 4643308	455.00
7395636	C8944	MSC INDUSTRIAL SUPPLY CO	WHL WGHTS/CLMPS/PNS/FUEL LNS	262.58	101 4753214	262.58
7395637	C9177	MUNISERVICES, LLC	CRDT-2017 CAFR REPORT	(500.00)	101 4310304	(500.00)
			2ND QTR 2018-SUTA SERVICES	14,100.88	101 4310301	14,100.88
				<u>13,600.88</u>		<u>13,600.88</u>
7395638	D1296	N B S	ARBITRAGE FIVE YEAR CALC FEE	6,000.00	991 4540962	6,000.00
7395639	08562	NAPA AUTO PARTS	ADAPTERS/CAPS-EQ3771	25.43	203 4752207	25.43
			WORKSHOP PRESS	1,531.91	101 4753295	1,531.91
				<u>1,557.34</u>		<u>1,557.34</u>
7395640	01809	NAT'L RECREATION & PARK ASSN	RP-MEMBERSHIP	170.00	101 4620206	170.00
7395641	D2822	NATIONAL CINEMEDIA, LLC	PS-THEATER ADS-03/30-04/26/18	458.00	101 4810205	458.00
			THEATER ADS-03/02-04/26/18	724.06	101 4682222	724.06
				<u>1,182.06</u>		<u>1,182.06</u>
7395642	06148	NIK-O-LOK, INC	05/18-MONTHLY COIN LOCK LEASE	39.00	101 4633301	39.00
7395643	D2634	O'REAR, JEFFREY R	04/18-PRODUCTION SERVICES	400.00	101 4680225	400.00
7395644	1443	OMEGA MAINTENANCE, INC	LMS-EDGER REPAIRS	221.73	101 4632230	221.73
7395645	C7808	OPSEC SPECIALIZED PROTECTION	PF-SECURITY SVCS-04/23/18	100.00	101 4682222	100.00
7395646	C3052	OXFORD INN AND SUITES	PF-LOGDING-EXHIBITS	762.18	101 4682222	185.64
					106 4680251	576.54
			PAC-LDG-MR POPPERS-04/26/18	340.68	402 4650257	340.68
				<u>1,102.86</u>		<u>1,102.86</u>
7395647	06636	P & J ELECTRIC INC	NSC-LIGHTING REPAIRS	768.90	101 4635402	768.90

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7395648	A7221	P E R S LONG TERM CARE PROGRAM	LONG TERM CARE PREM-PP 09-2018 05/18-RETIREE LONG TERM CARE	1,685.18 4,341.14 <u>6,026.32</u>	101 2170200 109 1101000	1,685.18 4,341.14 <u>6,026.32</u>
7395649	05741	P P G ARCHITECTURAL FINISHES	OMP-PAINT/SUPPLIES MOAH-PAINT/SUPPLIES	172.03 234.93 <u>406.96</u>	101 4634403 101 4644251	172.03 234.93 <u>406.96</u>
7395650	08889	PASLEY, STEPHANIE	RFND-CLASS REGISTRATION	40.00	101 2182001	40.00
7395651	08051	PEDRINI, BARBARA	03/18-AM EXERCISE INSTRUCTOR	70.00	101 4643308	70.00
7395652	05780	PLUMBERS DEPOT, INC	LBR/PMP RBLD KT-EQ3998	2,348.47	480 4755207	2,348.47
7395653	06160	PRIME TIME PARTY RENTALS	PF-TENT/WATER BARRELS PF-TENTS/WALLS	930.00 635.00 <u>1,565.00</u>	101 4682222 101 4682222	930.00 635.00 <u>1,565.00</u>
7395654	07287	PRINTING BOSS	OMP-SNACK BAR SIGN PF-SIGN/BANNERS	164.25 189.68 <u>353.93</u>	101 4634403 101 4682222	164.25 189.68 <u>353.93</u>
7395655	04361	PROTECTION ONE	LMS-04/18 ELEVATOR MONITORING	35.12	101 4632301	35.12
7395656	06607	PUMPMAN INC	40 W/AVE J-PUMP REPAIR	2,962.00	484 4755409	2,962.00
7395657	07507	RESOURCE BUILDING MATERIALS	OMP-QUICKRETE/PALLET	512.82	101 4641251	512.82
7395658	08782	REUSETHISBAG.COM	COTTON TOTES(3000)	12,576.24	330 4755775	12,576.24
7395659	05943	ROBERTSON'S	CONCRETE CONCRETE	204.66 122.79 <u>327.45</u>	484 4752410 203 4752410	204.66 122.79 <u>327.45</u>
7395660	04337	RUIZ, LINDA	04/18-TENNIS INSTRUCTOR 04/18-TENNIS INSTRUCTOR 04/18-TENNIS INSTRUCTOR	178.50 214.20 428.40 <u>821.10</u>	101 4643308 101 4643308 101 4643308	178.50 214.20 428.40 <u>821.10</u>
7395661	D3947	S G A CLEANING SERVICES	LMS-STAIRWAY CLEANINGS LMS-DUGOUT TOILET REPAIR OMP-BATTING CAGE REPAIRS PF-FENCE REPAIRS	450.00 390.00 425.00 410.00 <u>1,675.00</u>	101 4632402 101 4632402 101 4646402 101 4682222	450.00 390.00 425.00 410.00 <u>1,675.00</u>
7395662	A8260	SAGE STAFFING	MS-CAP ENG STAFF-04/02-06/18 CM-CAP ENG STAFF-04/02-06/18 MM-CAP ENG STAFF-04/02-06/18 LM-CAP ENG STAFF-04/02-06/18	558.00 806.00 1,240.00 1,023.00	251 4762308 251 4762308 251 4762308 251 4762308	558.00 806.00 1,240.00 1,023.00

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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			MS-CAP ENG STAFF-04/09-13/18	1,364.00	251 4762308	1,364.00
			SB/RV-FINANCE STFF-04/09-13/18	1,395.00	101 4310308	1,395.00
			RSM-DEV SVC STAFF-04/09-13/18	1,209.00	251 4762308	1,209.00
			CM-CAP ENG STAFF-04/09-13/18	644.80	251 4762308	644.80
			MM-CAP ENG STAFF-04/09-13/18	1,240.00	251 4762308	1,240.00
			LM-CAP ENG STAFF-04/09-13/18	837.00	251 4762308	837.00
			SM-PARKS STAFF-04/16-20/18	697.50	101 4620308	697.50
			GK-PUBLIC SFTY STFF-04/16-20/18	373.00	101 4820308	373.00
			SB-FINANCE STAFF-04/16-20/18	930.00	101 4310308	930.00
			RSM-DEV SVC STAFF-04/16-20/18	1,209.00	251 4762308	1,209.00
				<u>13,526.30</u>		<u>13,526.30</u>
7395663	06651	SANTOS BOXING USA	04/18-BOXING INSTRUCTION	910.00	101 4643308	910.00
			04/18-BOXING INSTRUCTION	210.00	101 4643308	210.00
				<u>1,120.00</u>		<u>1,120.00</u>
7395664	06664	SEA SUPPLY	PEARL WSH/GLVS/DEODRZR/DGRSR	783.07	101 4753214	592.78
					203 4752406	190.29
				<u>783.07</u>		<u>783.07</u>
7395665	08126	SECURITY DEFENDERS	PARK & RIDE-SEC SVC-04/18	3,348.80	207 4752301	3,348.80
7395666	05934	SHI INTERNATIONAL CORP	TRANSCEIVERS/PATCH CABLES	1,374.84	101 4315302	1,374.84
7395667	C9946	SIERRA PRINTERS INC	ANNUAL REPORT COPIES(200)	1,407.81	210 12ST037924	1,407.81
7395668	1894	SIGNS & DESIGNS	TOW PERMIT DECALS(50)	268.28	101 4545259	268.28
			PAC-POSTERS(2)	71.18	402 4650205	71.18
			CHAMBER DAIS SIGNS(2)	26.28	101 4100205	26.28
				<u>365.74</u>		<u>365.74</u>
7395669	5210	SLATER PIANO SERVICE	PAC-TUNING/TOUCH UP	150.00	402 4650301	150.00
7395670	01816	SMITH PIPE & SUPPLY INC	LMS-FERTILIZER	141.06	101 4632404	141.06
			OMP-VALVE BOXES/LIDS	259.91	101 4634404	259.91
			OMP-PVC/COUPLINGS	20.40	101 4634404	20.40
			WCP-DIAPHRAGMS/SOLENOIDS	248.14	101 4631404	248.14
			PBP-COUPLINGS	7.35	101 4631404	7.35
				<u>676.86</u>		<u>676.86</u>
7395671	05339	SNAP-ON INDUSTRIAL	GUAGE SET/BATTERY KIT/METER	1,417.83	101 4753208	1,417.83
			DIAGNOSTIC THERMAL IMAGER	1,186.13	101 4753208	1,186.13
			AIR TOOL OIL	52.82	101 4753208	52.82
				<u>2,656.78</u>		<u>2,656.78</u>
7395672	06429	STANTEC CONSULTING SRVCS INC	CP13016-AVENUE J-8 GAP CLOSURE	65.38	232 15ST046924	65.38
			CP13016-AVENUE J-8 GAP CLOSURE	1,268.00	232 15ST046924	1,268.00
				<u>1,333.38</u>		<u>1,333.38</u>
7395673	C0345	STATE CONTROLLER	2017 OFFSET PROGRAM(252)	455.62	101 4310301	455.62

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7395674	D3733	STOTZ EQUIPMENT	OMP-AERWAY AERATOR	11,492.03	101 4634753	11,492.03
7395675	05590	STUDIO EQUIPMENT RENTALS INC	PF-GENERATOR/CART RENTALS	18,895.50	101 4682222	18,895.50
			AIR-SPDR BXS/CRDS/CBL PRTCTRS	420.00	101 4680225	420.00
				<u>19,315.50</u>		<u>19,315.50</u>
7395676	05703	SUPERIOR ALARM SYSTEMS	04/18-MONTHLY MONITORING	45.00	101 4633301	45.00
7395677	A6479	TAFT ELECTRIC COMPANY	POLE REPLACEMENT	3,456.72	483 4785460	3,456.72
7395678	08177	TEKWERKS	05/18-INTERNET SERVICE	1,575.00	101 4305753	1,575.00
7395679	C4724	THE ACTIVE NETWORK LLC	DEBIT PIN PADS(8)	4,002.00	101 2175000	(27.60)
					101 4315291	4,029.60
				<u>4,002.00</u>		<u>4,002.00</u>
7395680	D1594	TOUCHPOINT ENERGIZED COMM	05/18-E NEWSLETTER SVC	375.00	101 4305302	375.00
7395681	08687	TRINITY INNOVATIONS	PF-MONOLITHS/SIGNS/TRUSSES	11,957.20	101 4682222	11,957.20
7395682	A7515	U S BANK	03/18-ADMIN FEE	231.51	101 3501110	231.51
7395683	D4202	U S BANK	04/18-03/19 ADMIN FEES	1,500.00	991 4540962	1,500.00
7395684	A2124	UNDERGROUND SERVICE ALERT/SC	04/18-TICKETS(212)	359.80	484 4752301	359.80
7395685	08783	UNIFIRST CORPORATION	UNIFORM CLEANINGS	139.81	480 4755209	139.81
7395686	04496	VULCAN MATERIAL WESTERN DIV	PF-ASPHALT	1,040.25	101 4682222	1,040.25
			COLD MIX	157.24	484 4752410	157.24
			COLD MIX	113.55	484 4752410	113.55
				<u>1,311.04</u>		<u>1,311.04</u>
7395687	06209	WAGeworks	04/18-FSA ADMIN FEES	471.97	101 2170213	21.65
					101 2170213	424.34
					101 2170214	25.98
				<u>471.97</u>		<u>471.97</u>
7395688	31026	WAXIE SANITARY SUPPLY	TOWELS	52.79	203 4752406	52.79
7395689	C7604	YOUNG CHAMPIONS	04/18-SELF DEFENSE INSTRUCTION	1,267.20	101 4643308	1,267.20
			04/18-SELF DEFENSE INSTRUCTION	924.00	101 4643308	924.00
			04/18-SELF DEFENSE INSTRUCTION	1,214.40	101 4643308	1,214.40
				<u>3,405.60</u>		<u>3,405.60</u>
7395690	07551	YOUNG, DANA L	04/18-PICKLEBALL INSTRUCTOR	56.00	101 4643308	56.00
			04/18-PICKLEBALL INSTRUCTOR	102.90	101 4643308	102.90
			04/18-PICKLEBALL INSTRUCTOR	70.00	101 4643308	70.00
7395691	VOID					

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				228.90		228.90
7395692	C4190	DOLPHIN RENTS INC	PF-EQUIPMENT RENTALS	47,526.76	101 2182040	10,080.00
					101 4682222	37,446.76
			PF-EQUIPMENT RENTALS	2,122.94	101 4682222	2,122.94
			PF-TURNSTILE RENTALS(7)	1,391.48	101 4682222	1,391.48
				<u>51,041.18</u>		<u>51,041.18</u>
7395693	D3340	ENERGY RESOURCES/CNSRVTN DEVL PRINCIPAL/INT-LOAN #006-10-ECD		67,698.76	101 4330603	67,698.76
7395694	01550	KAISER FOUNDATION HEALTH PLAN	05/18-EMPLOYEE HEALTH INS	208,751.60	101 2166130	208,751.60
			05/18-COBRA HEALTH INS	552.25	101 2166130	552.25
			05/18-RETIREE HEALTH INS	20,204.58	109 1101000	20,204.58
			CRDT-RETIREE HEALTH INS	(303.14)	109 1101000	(303.14)
				<u>229,205.29</u>		<u>229,205.29</u>
7395695	06966	MICHAEL BAKER INT'L INC	CP16008-PED GAP CLSR IMPRVMENTS	9,108.40	204 15SW016924	9,108.40
			CP17003-REVIVE 25 PVMNT MNGMNT	33,118.41	206 12ST036924	19,871.04
					209 12ST036924	13,247.37
			CP18001-REVIVE 25 PVMNT MNGMNT	8,024.00	206 12ST036924	4,814.40
					209 12ST036924	3,209.60
				<u>50,250.81</u>		<u>50,250.81</u>
7395696	06066	A T & T	DOJ-04/18-TELEPHONE SERVICE	49.24	101 4315651	49.24
7395697	A9444	A V COMMUNITY CONCERTS ASSN	TCKT PRCDs-RASTRELLI-04/08/18	1,136.78	101 2107000	3,234.80
					402 3405100	80.00
					402 3405127	(2,136.00)
					402 3405302	(13.97)
					402 3405303	(28.05)
				<u>1,136.78</u>		<u>1,136.78</u>
7395698	00107	A V PRESS	04/18-ON THE NET ADS	90.00	101 4305205	90.00
7395699	03353	BOZIGIAN, MARK	MB-REIMB-LUNCH MTNG-05/09/18	115.93	101 4100202	115.93
7395700	C2060	CA WATER SERVICE COMPANY	04/10/18-05/08/18 WATER SVC	170.66	482 4636654	170.66
7395701	D1545	CLETEHOUSE CAFE, INC	PUBLIC WORKS WEEK-CATERING	1,511.87	106 4752225	1,511.87
7395702	06789	CORBETT, JOCELYN	JC-MILGE-SAN DIEGO-05/02-04/18	200.56	101 4400203	200.56
7395703	D1698	DOW, CHENIN	CD-PR DM-LAS VEGAS-05/20-23/18	224.00	101 4320256	224.00
7395704	08897	EAGLE, LUKE S	RFND-RNTL HSNB FEE-RHR17-03806	27.00	101 2179004	1.00
					101 3102400	26.00
				<u>27.00</u>		<u>27.00</u>
7395705	08551	EMPLOYMENT DEVELOPMENT DEPT	EARNINGS WITHHOLDING	50.00	101 2159000	50.00

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7395706	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	240.00	101 2159000	240.00
7395707	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	300.00	101 2159000	300.00
7395708	07369	FRONTIER COMMUNICATIONS CORP	04/28-05/27/18-CIRCUIT SVC	360.19	101 4315651	360.19
7395709	07369	FRONTIER COMMUNICATIONS CORP	04/25-05/24/18 TELEPHONE SVC	573.61	101 4633651	573.61
7395710	08898	FUNCTIONAL HEALTH 4U	RFND-HOME OCC FEE-BUSA18-00272	60.00	101 3203100	60.00
7395711	07084	L A CO PUBLIC HEALTH	MTNC YD-REGULATRY FEES	225.96	480 4755311	225.96
7395712	D3448	L A CO SHERIFF'S DEPT	FILE #3631804180048	53.13	101 2159000	53.13
7395713	05422	L A CO SHERIFF'S DEPT	CASE #M-1502-CL-20260	81.40	101 2159000	81.40
7395714	D3448	L A CO SHERIFF'S DEPT	FILE #3631801190021	300.00	101 2159000	300.00
7395715	1215	L A CO WATERWORKS	03/05/18-05/09/18 WATER SVC	32,443.91	101 4631654 101 4633654 203 4636654 306 4542684 306 4542924 363 4542770 482 4636654	14,148.87 449.04 1,621.02 426.60 152.05 47.22 15,599.11
				<u>32,443.91</u>		<u>32,443.91</u>
7395716	C5794	LAWRENCE-SCHULTZ, INC	BAL-VICKI LAWRENCE-05/18/18	10,000.00	402 4650318	10,000.00
7395717	07869	LEWIS, SHARLOTTE	RFND-ADMIN CIT FEE-PS13321	534.00	101 3309100	534.00
7395718	03411	PYRO SPECTACULARS, INC	DEP-JULY 4 2018-FIREWORKS	14,750.00	101 4687222	14,750.00
7395719	1705	QUARTZ HILL WATER DISTRICT	04/01/18-05/01/18 WATER SVC	3,771.80	101 4634654 203 4636654 482 4636654	3,001.25 340.46 430.09
				<u>3,771.80</u>		<u>3,771.80</u>
7395720	08490	RODRIGUEZ, VANESSA	VR-PRKG-PASADNA-04/30-05/01/18	26.00	480 4755202	26.00
7395721	03154	SO CA EDISON	04/01/18-05/01/18 ELECTRIC SVC	115.61	483 4755660	115.61
7395722	03154	SO CA EDISON	04/04/18-05/03/18 ELECTRIC SVC	1,592.11	483 4785652	1,592.11
7395723	03154	SO CA EDISON	04/04/18-05/03/18 ELECTRIC SVC	1,961.00	203 4636652 482 4636652	474.70 1,486.30
				<u>1,961.00</u>		<u>1,961.00</u>
7395724	03154	SO CA EDISON	03/14/18-05/14/18 ELECTRIC SVC	3,061.76	203 4636652	389.40

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					482 4636652	2,541.24
					484 4755652	131.12
				3,061.76		3,061.76
7395725	03154	SO CA EDISON	03/20/18-05/07/18 ELECTRIC SVC	6,413.44	483 4785652	6,378.01
					483 4785660	35.43
				6,413.44		6,413.44
7395726	03154	SO CA EDISON	03/27/18-05/10/18 ELECTRIC SVC	10,459.77	101 4631652	1,098.55
					101 4633652	6,072.42
					101 4651652	990.21
					203 4636652	31.95
					482 4636652	274.67
					483 4785652	89.42
					483 4785660	1,902.55
				10,459.77		10,459.77
7395727	03154	SO CA EDISON	04/04/18-05/04/18 ELECTRIC SVC	24,145.04	101 4631652	7,623.48
					101 4633652	2,517.90
					101 4634652	4,835.88
					101 4635652	8,482.40
					101 4810403	130.42
					483 4785660	554.96
				24,145.04		24,145.04
7395728	C2554	SUPERIOR COURT OF CA-CO OF L A	04/18-ALLCTN OF PRKG PENALTIES	25,652.20	101 3310200	294.20
					101 3310200	2,605.50
					101 3310200	2,605.50
					101 3310200	2,605.50
					101 3310200	3,474.00
					101 3310200	3,645.50
					101 3310200	5,211.00
					101 3310200	5,211.00
				25,652.20		25,652.20
7395729	C2555	TIME WARNER CABLE	05/18-TV SVC-LCE/EXERCISE RM	16.80	101 4315651	16.80
7395730	C2555	TIME WARNER CABLE	05/18-TV SERVICE-VICE MAYOR	21.64	101 4315651	21.64
7395731	C8046	U S DEPT OF EDUCATION	LEVY PROCEEDS	279.98	101 2159000	279.98
7395732	2106	U S POSTMASTER	POSTAGE-SUMMER 2018 OUTLOOK	12,500.00	101 4305211	7,500.00
					101 4643211	5,000.00
				12,500.00		12,500.00
7395733	07169	VIVINT SOLAR DEVELOPER LLC	RFND-SOLAR PERMIT-PMT17-04573	117.11	251 3201104	117.11
7395734	C6406	WELLS, KATHY	KW-PR DM-GOLDEN CO-05/21-24/18	241.50	491 4370201	241.50
7395735	08901	WILLIAMS, AUSTIN AND EMBARLY	RFND-RNTL HSNG FEE-10016165	23.00	101 3102400	23.00

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7395736	02071	A G SOD FARMS INC	PF-SOD PF-SOD	732.35 308.82 <u>1,041.17</u>	101 4682222 101 4682222	732.35 308.82 <u>1,041.17</u>
7395737	01039	A V FORD LINCOLN MERCURY	SUN VSR CLP-EQ3757	22.10	203 4752207	22.10
7395738	03854	A V JANITORIAL SUPPLY	LMS-TOWEL ROLLS(8 CASES)	459.90	101 4632406	459.90
7395739	06294	A V WEB DESIGNS	NSC-05/18-MONTHLY HOSTING CHGS PAC-05/18-MONTHLY HOSTING CHGS	99.95 99.95 <u>199.90</u>	101 4660301 402 4650301	99.95 99.95 <u>199.90</u>
7395740	08820	ACCOUNTING PRINCIPALS INC	ME-FINANCE STFF-04/30-05/04/18	3,736.70	101 4310308	3,736.70
7395741	07966	ACME ASSET PROTECTION SERVICES	AIR-ARMED GUARD SERVICE	711.00	101 4680225	711.00
7395742	05445	ADELMAN BROADCASTING, INC	PS-04/18-ADVERTISING	690.00	101 4810205	690.00
7395743	06352	AGILITY RECOVERY SOLUTIONS	05/18-READYSUITE	665.00	101 4315302	665.00
7395744	A8728	ALL THINGS ENGRAVABLE	PF-TROPHIES/DJ	1,016.55	101 4682222	1,016.55
7395745	C8962	ALTA LANGUAGE SERVICES, INC	LISTENING/SPEAKING TEST	62.00	101 4320301	62.00
7395746	05265	ALTMAN PLANTS	PF-FLOWERS(76 FLATS)	624.15	101 4682222	624.15
7395747	D1663	AMERICAN IRON WORK	LMS-FABRICATE BULLASTERS(2)	550.00	101 4632402	550.00
7395748	D3147	AMERICAN PLUMBING SERVICES, INC	LMS-UNCLOG DUGOUT DRAINS OMP-BATHROOM REPAIRS OMP-UNCLOG TOILET	750.00 151.26 142.50 <u>1,043.76</u>	101 4632402 101 4634402 207 4634402	750.00 151.26 142.50 <u>1,043.76</u>
7395749	04760	AMERINAT	04/18-MONTHLY SERVICE FEE	548.55	306 4542301	548.55
7395750	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS UNIFORM CLEANINGS	45.54 52.33 <u>97.87</u>	101 4753209 101 4753209	45.54 52.33 <u>97.87</u>
7395751	02693	ANDY GUMP, INC	PF-SINK RENTALS-04/18-24/18	6,512.30	101 4682222	6,512.30
7395752	04446	AUTO PROS	SMOG INSPECTION-EQ6811	45.00	101 4545207	45.00
7395753	04151	AXES FIRE INC	PAC-EXTINGUISHERS(4) FIRE CERTIFICATIONS(5)	327.00 52.50	402 4650403 101 4545207 101 4761207 203 4752207 203 4785207 483 4755207	327.00 10.50 10.50 10.50 10.50 10.50

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				379.50		379.50
7395754	03485	BAKERSFIELD TRUCK CENTER	FAN CLTCH RPR KT-EQ3775	463.02	203 4752207	463.02
7395755	01863	BAVCO	BACKFLOW REPAIR KITS/ASSYS	1,070.74	482 4636404	1,070.74
7395756	08187	C F E E	2018 GENERAL OPERATNS CONTRBTN	18,000.00	490 4370206	18,000.00
7395757	06176	C S TECH GROUP, INC	EOC WIRE PULLS	450.00	101 4315301	450.00
			MOAH-SURVEILLANCE RECORDERS(4)	315.31	101 4315302	315.31
				<u>765.31</u>		<u>765.31</u>
7395758	08940	CARQUEST	OXYGN SNSRS(2)-EQ7607	67.91	480 4755207	67.91
			ACTUATOR-EQ0002	52.38	101 4820207	52.38
				<u>120.29</u>		<u>120.29</u>
7395759	00382	CARRIER COMMUNICATIONS	05/18-HAUSER MTN SITE RENT	559.30	101 4200350	559.30
7395760	04732	CARSON TRAILER INC	2018 TRAILER/TIRE/MOUNT/LIGHT	7,326.64	101 4200753	7,326.64
7395761	04636	CAYENTA/N HARRIS COMPUTER CORP	PS ONSITE TRAINING	2,400.00	101 4310302	2,400.00
			PS ONSITE TRAINING	2,400.00	101 4310302	2,400.00
			05/18-CMS	3,745.00	101 4315302	3,745.00
				<u>8,545.00</u>		<u>8,545.00</u>
7395762	05128	CLEANSTREET	04/18 MONTHLY STREET SWEEP	40,237.52	203 4751450	39,237.52
					484 4751450	1,000.00
				<u>40,237.52</u>		<u>40,237.52</u>
7395763	C4489	COMCATE	TRAINING/FLIGHT/RENTALS	1,992.12	101 4315256	1,992.12
7395764	05789	CORE & MAIN LP	OMP-COMPRESSION COUPLINGS(2)	463.49	101 4634404	463.49
7395765		VOID				
7395766	08018	DANIELIAN ASSOCIATES INC	03/18-PROFESSIONAL SERVICES	32,021.34	361 4541900	32,021.34
7395767	C7625	DAPEER,ROSENBLIT & LITVAK, LLP	03/18-MUNICIPAL CODE ENF SVCS	1,487.50	101 4400303	1,487.50
7395768	06248	DARYL'S PLUMBING	647 W J11-CLEARED STOPPAGE	75.00	363 4542771	75.00
			647 W J11-TROUBLESHOOT SEWER	250.00	363 4542771	250.00
				<u>325.00</u>		<u>325.00</u>
7395769	A9377	DAVIS COMMUNICATIONS	04/18-05/18-YOLO-WEB SERVICES	1,020.00	306 4542355	1,020.00
			REUSABLE RECYCLE BAG DESIGN	85.00	330 4755775	85.00
				<u>1,105.00</u>		<u>1,105.00</u>
7395770	07131	DE LAGE LANDEN FINANCIAL SVCS	05/15-06/14/18 NETWORK PRINTER	168.95	101 4810254	168.95
7395771	00432	DEPT OF JUSTICE	04/18-FINGERPRINT APPS	1,037.00	101 4320301	1,037.00

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7395772	A0925	DESERT HAVEN ENTERPRISES	1743 MINTER WY-TREE/DBRIS RMVL TRASH/DEBRIS REMOVAL 45068 KINGTREE-BOARD UP/CLEAN 04/18-JANITORIAL SERVICES	880.00 230.00 2,000.00 910.00 <u>4,020.00</u>	101 4545940 101 4545940 101 4545940 101 4633301	880.00 230.00 2,000.00 910.00 <u>4,020.00</u>
7395773	00414	DESERT LOCK COMPANY	CH-KEYS(4) KEYS(6) LUC-KEYS(2)	8.57 11.50 3.29 <u>23.36</u>	101 4633403 101 4633403 101 4633403	8.57 11.50 3.29 <u>23.36</u>
7395774	05473	DEWEY PEST CONTROL	MTNC YD-05/18-PEST CONTROL PAC-05/18-PEST CONTROL CDR ST-05/18-PEST CONTROL LUC-05/18-PEST CONTROL LBP-05/18-PEST CONTROL	137.00 50.00 90.00 75.00 95.00 <u>447.00</u>	203 4752301 402 4650301 101 4651301 101 4633301 101 4636301	137.00 50.00 90.00 75.00 95.00 <u>447.00</u>
7395775	06150	DIRECTV	MOAH-05/18-BUSINESS INFO	103.24	101 4315651	103.24
7395776	03072	DONNELL PRINTING	BUSINESS CARDS(8 BXS)	744.60	101 4305259 101 4315259 101 4540340 101 4780253 <u>744.60</u>	93.07 465.38 93.07 93.08 <u>744.60</u>
7395777	06380	EWING IRRIGATION PRODUCTS, INC	LMS-LINE MARKING PAINT FERTILIZER	576.58 9,941.72 <u>10,518.30</u>	101 4632404 101 4631404 101 4635404	576.58 5,799.35 4,142.37 <u>10,518.30</u>
7395778	C8113	F J HEATING & AIR CONDITIONING	43028 GUYMAN-COOLER PARTS 809 W H8-COOLER PARTS	275.70 230.50 <u>506.20</u>	306 4542682 306 4542682	275.70 230.50 <u>506.20</u>
7395779	D3240	FASTENAL COMPANY	CA-POLE BANDS	112.06	101 4684222C	112.06
7395780	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	120.59	209 16ST007924 402 4650212 490 4370212 <u>120.59</u>	40.94 53.54 26.11 <u>120.59</u>
7395781	07124	FIRST AMERICAN DATA TREE, LLC	04/18-PROFESSIONAL SERVICES	500.00	101 4400301	500.00
7395782	08245	GOLDEN STATE LABOR COMPLIANCE	CP16001-ITS TRFFC SGNL MDRNZTN	14,266.00	217 11TS001924	14,266.00
7395783	00849	HAAKER EQUIPMENT CO	ENERGY TRACKS-EQ3988	484.67	480 4755207	484.67
7395784	06035	HAGAN, WILLIAM MARK	BIOLOGICAL RESOURCE ASSESSMENT	3,250.00	306 4542901S	3,250.00

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7395785	819	HERC RENTALS INC	PF-ROLLER RENTAL-04/25-27/18	761.04	101 4682222	761.04
7395786	D0501	HIESL CONSTRUCTION INC	43741 GADSDEN-PLUMBING REPAIRS 44848 RODIN-BREAKER REPLACMNTS	340.00 1,150.00 1,490.00	363 4542770 306 4542682	340.00 1,150.00 1,490.00
7395787	07934	HYDRO PRODUCTS CORP	SANITARY SOLUTION	1,193.50	480 4755470	1,193.50
7395788	D3842	INNOVATION EDUCATION	07/17-SUMMER WORKSHOP INSTRCTN 07/17-SUMMER WORKSHOP INSTRCTN 08/17-SUMMER WORKSHOP INSTRCTN 08/17-SUMMER WORKSHOP INSTRCTN 08/17-SUMMER WORKSHOP INSTRCTN 10/17-LEGO ROBOTICS INSTRUCTN 11/17-LEGO ROBOTICS INSTRUCTN 01/18-ITALIAN INSTRUCTION 01/18-ITALIAN INSTRUCTION 01/18-LEGO ROBOTICS INSTRUCTN	12.00 6.00 9.00 6.00 6.00 32.00 40.00 48.00 8.00 36.00 203.00	101 4643308 101 4643308 101 4643308 101 4643308 101 4643308 101 4643308 101 4643308 101 4643308 101 4643308 101 4643308	12.00 6.00 9.00 6.00 6.00 32.00 40.00 48.00 8.00 36.00 203.00
7395789	A2594	INTERSTATE BATTERY SYS OF A V	BATTERY-EQ2309	211.43	101 4753207	211.43
7395790	01419	JOHNSTONE SUPPLY	FILTERS(12)	49.67	101 4633403	49.67
7395791	06103	JUDGE NETTING, INC	LMS-CAGE NETTING REPAIRS	3,100.00	101 4632402	3,100.00
7395792	08749	JUST GO GREEN INCORPORATED	PDW-WALL/GATE/SD WLK/POLE RPRS	11,053.10	101 4634402	11,053.10
7395793	D1903	KERN MACHINERY INC-LANCASTER	SEAL-EQ3773 LMS-OIL NSC-ARM FIT OMP-OIL/KNOB/PINS	23.27 56.51 608.53 76.07 764.38	203 4752207 101 4632404 101 4635207 101 4634230	23.27 56.51 608.53 76.07 764.38
7395794	06059	KRAZAN & ASSOCIATES, INC	CP17011-20TH ST W IMPROVEMENTS CP17011-20TH ST W IMPROVEMENTS	1,597.50 3,947.50 5,545.00	209 12ST032924 209 12ST032924	1,597.50 3,947.50 5,545.00
7395795	1215	L A CO WATERWORKS	350 E NUGENT-METER INSTLLTN 1227 E PASTEUR-DAMAGE FEE	464.70 150.67 615.37	306 4542682 363 4542770	464.70 150.67 615.37
7395796	05599	LEE, WATSON W S	04/18-FINGERPRINT ANALYSIS	476.49	101 4820301	476.49
7395797	06873	MAHER ACCOUNTANCY	CCEA-03/18-ACCOUNTING SVCS CCEA-03/18-ACCOUNTING SVCS	2,500.00 2,500.00 5,000.00	491 4370003P 491 4370002P	2,500.00 2,500.00 5,000.00
7395798	04365	MARINA GRAPHIC CENTER	CERTIFICATE FOLDERS(2000)	3,332.20	101 4100205	3,332.20

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7395799	C3413	MATHER BROS INC	PF-CRUSHED ICE(209 BAGS) LMS-FREEZER RENTAL	563.25	101 4680225	563.25
				375.00	101 4632602	375.00
				938.25		938.25
7395800	C1198	MC PHERSON CONSULTING	PAC-PULL STATION REPLACEMENT	223.00	402 4650402	223.00
7395801	02270	MELDON GLASS	MLS-DOOR REPAIRS	65.00	101 4633402	65.00
7395802	08086	MGT OF AMERICA CONSULTING LLC	SB90 ANNUAL CLAIMING	1,347.50	101 4310301	1,347.50
7395803	06966	MICHAEL BAKER INT'L INC	KENSINGTON CAMPUS SERVICES	4,240.00	306 4542901K	4,240.00
7395804	06673	MILLER, JACK C	03/18-TENNIS INSTRUCTOR	12.00	101 4643308	12.00
			03/18-TENNIS INSTRUCTOR	12.00	101 4643308	12.00
			03/18-TENNIS INSTRUCTOR	9.00	101 4643308	9.00
			03/18-TENNIS INSTRUCTOR	21.00	101 4643308	21.00
			03/18-TENNIS INSTRUCTOR	9.00	101 4643308	9.00
			03/18-TENNIS INSTRUCTOR	15.00	101 4643308	15.00
			03/18-TENNIS INSTRUCTOR	9.00	101 4643308	9.00
			03/18-TENNIS INSTRUCTOR	6.00	101 4643308	6.00
			03/18-TENNIS INSTRUCTOR	24.00	101 4643308	24.00
			03/18-TENNIS INSTRUCTOR	18.00	101 4643308	18.00
			03/18-TENNIS INSTRUCTOR	30.00	101 4643308	30.00
			03/18-TENNIS INSTRUCTOR	30.00	101 4643308	30.00
				195.00		195.00
7395805	01184	MONTE VISTA CAR WASH	CAR WASHES(23)	460.00	101 4200207	14.00
					101 4200207	15.00
					101 4315207	15.00
					101 4545207	15.00
					101 4545207	15.00
					101 4633207	15.00
					101 4640207	15.00
					101 4662207	15.00
					101 4662207	15.00
					101 4753207	120.00
					101 4761207	21.50
					101 4810207	14.00
					101 4810207	14.00
					101 4810207	15.00
					101 4810207	15.00
					101 4810207	15.00
					101 4810207	21.50
	203 4752207	15.00				
	251 4783207	15.00				
	480 4755207	15.00				
	483 4755207	15.00				

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				460.00		460.00
7395806	06936	MOSMAN, DESIREA	04/18-AM EXERCISE INSTRUCTOR	595.00	101 4643308	595.00
7395807	08821	MUROW CM	KENSINGTON CAMPUS SERVICES	2,500.00	306 4542901K	2,500.00
7395808	08562	NAPA AUTO PARTS	CRDT-HOOD LTCH-EQ3351	(19.94)	480 4755207	(19.94)
			WTR PMP/BLT/THRMSTT-EQ3991	145.27	480 4755207	145.27
			ENGINE/GASKETS/CLUTCH KIT	26,074.33	203 4752763	26,074.33
			AIRFLOW SNSR/COR DEP-EQ3302	115.62	101 4753207	115.62
			OIL/AIR FLTRS/WPR BLD-EQ1743	25.05	101 4200207	25.05
			OIL/AIR FLTRS/WPR BLD-EQ6811	24.20	101 4545207	24.20
			OIL/AIR FILTERS-EQ7769	14.82	101 4761207	14.82
			OIL/AIR/FUEL FLTRS-EQ3980	71.35	483 4755207	71.35
			OIL/AIR FLTRS/WPR BLD-EQ3759	22.46	203 4752207	22.46
			OIL FILTER-EQ4300	3.67	203 4752207	3.67
			TRANS/AIR/OIL FLTRS-EQ4361	49.78	203 4785207	49.78
			COUPLING NUTS(6)-EQ3841	1.71	203 4752207	1.71
			ACTUATOR-EQ0002	55.31	101 4820207	55.31
			WINDW HNDL-EQ3832	11.06	203 4752207	11.06
			REFRIGERANT/BRAKE CLEANER	391.75	101 4753214	391.75
			SOCKET-EQ3841	11.85	203 4752207	11.85
			DIESEL/FUEL TRTMNTS/CLNR/WSHR	588.54	101 4753214	588.54
			TAP-EQ3841	2.23	203 4752207	2.23
			SWITCH-EQ3776	55.01	203 4752207	55.01
			HNDL BRKT-EQ3999	57.31	203 4752207	57.31
			BRK PDS-EQ4361	85.09	203 4785207	85.09
			SWITCH-EQ4361	21.88	203 4785207	21.88
				<u>27,808.35</u>		<u>27,808.35</u>
7395809	08892	NEW ROADS TO LRNGG NAT'L FNDTN	DESERT SANDS HONORARIUM	2,500.00	101 4680225	2,500.00
7395810	04558	NIELSEN'S FIRE PROTECTION	LMS-EMERGENCY SERVICE	200.00	101 4632402	200.00
7395811	08007	O S T S INC	FIRE EXTNGSHR TRNG-05/01/18	1,395.00	101 4320301	1,395.00
7395812	06513	ODYSSEY POWER	TRAVEL/LABOR/FILTER ASSY	808.99	480 4755402	808.99
			MTNC YD-GENERATOR MAINTENANCE	760.00	480 4755402	760.00
				<u>1,568.99</u>		<u>1,568.99</u>
7395813	08903	ORANGE CO CITY MANAGER ASSOC	CCEA SPONSORSHOP	500.00	491 4370205	500.00
7395814	08899	OTOVO, FREDRICK	RFND-RNTL DEP-OMP-05/05/18	100.00	101 2182001	100.00
7395815	06636	P & J ELECTRIC INC	OMP-LIGHTING REPAIRS	235.95	101 4634402	235.95
7395816	05741	P P G ARCHITECTURAL FINISHES	PAINT	84.37	203 4752502	84.37
			PF-PARKING LOT PAINT	95.92	101 4682222	95.92
			PF-EXT POLES/FRAMES/PAINT	139.37	101 4682222	139.37
			HOSES/COMPRSSN GUN/PAINT/TIP	790.40	203 4752502	790.40

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			PAINT/SOCK HOODS/CANS/LIDS	133.18	203 4752502	133.18
			PAINT	44.78	203 4752502	44.78
			LMS-FIELD PAINT	66.36	101 4632404	66.36
			RGS/EXT POLES/CLOTHS/BCKT GRDS	294.31	203 4752502	294.31
			PAINT/CLOTHS	94.18	203 4752502	94.18
			PAINT	18.44	203 4752502	18.44
			NSC-FIELD PAINT	993.60	101 4635404	993.60
				<u>2,754.91</u>		<u>2,754.91</u>
7395817	06984	PACIFIC DESIGN & INTEGRATION	04/18-BROADCAST MTNG SERVICES	3,381.00	101 4305302	3,381.00
7395818	C3613	PACIFIC ENVIRONMENTAL	123 E J2-ASBESTOS/LEAD SURVEY	1,520.00	363 4542770	1,520.00
			1550 NEWGROVE-ASBSTS/LEAD SRVY	1,520.00	363 4542770	1,520.00
				<u>3,040.00</u>		<u>3,040.00</u>
7395819	05998	PAVING THE WAY FOUNDATION	CMMNTY SPPRT/GOOD CTZNSHP PRGM	500.00	101 4820301	500.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	1,968.00	101 4820301	1,968.00
				<u>2,468.00</u>		<u>2,468.00</u>
7395820	08051	PEDRINI, BARBARA	04/18-AM EXERCISE INSTRUCTOR	35.00	101 4643308	35.00
7395821	05602	PETROLEUM EQUIPMENT CONST SRV	MONITORING CERT/REPORT/TEST	975.00	101 4753402	975.00
			04/18-DESIGNATED OPERATOR INSP	125.00	101 4753402	125.00
				<u>1,100.00</u>		<u>1,100.00</u>
7395822	04361	PROTECTION ONE	LMS-05/18 ALARM MONITORING	48.62	101 4632301	48.62
7395823	07363	Q C LOCKSMITH	1550 NEWGROVE-LOCKS(2)	178.80	363 4542770	178.80
7395824	08059	QUICK RESPONSE FIRE PROTECTION	LMS-FIRE SYSTEM REPAIR	700.00	101 4632402	700.00
7395825	08478	QUIGLEY, SHANNON	EE-05/18-YOGA CLASSES	300.00	101 4320301	300.00
7395826	05864	QUINN COMPANY	PF-WATR TRUCK RNTL-04/20-23/18	1,167.00	101 4682222	1,167.00
			FLTRS(9)/ELMNT-EQ3835	499.84	484 4752207	499.84
			PUMPS(2)-EQ3835	66.84	484 4752207	66.84
				<u>1,733.68</u>		<u>1,733.68</u>
7395827	08119	R N S COMMUNICATIONS INC	USED OIL RECYCLING AD	650.00	331 4755786	650.00
7395828	05943	ROBERTSON'S	CONCRETE	252.16	484 4755410	252.16
			CONCRETE	163.72	203 4752410	163.72
			CONCRETE	204.66	203 4752410	204.66
				<u>620.54</u>		<u>620.54</u>
7395829	D3947	S G A CLEANING SERVICES	LMS-RPLC TICKET OFFICE BLINDS	346.63	101 4632402	346.63
7395830	03962	SAFETY KLEEN	HAZ WASTE PARTS WASHER	141.41	101 4753657	141.41
7395831	A8260	SAGE STAFFING	AH-DEV SVC STAFF-04/16-20/18	716.80	251 4762308	716.80

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			AT-LCE STAFF-04/16-20/18	1,002.00	490 4370308	1,002.00
			CM-CAP ENG STAFF-04/16-20/18	744.00	251 4762308	744.00
			MM-CAP ENG STAFF-04/16-20/18	1,240.00	251 4762308	1,240.00
			LM-CAP ENG STAFF-04/16-20/18	1,023.00	251 4762308	1,023.00
			SM-PARKS STAFF-04/23-27/18	668.44	101 4620308	668.44
			AH-DEV SVC STAFF-04/23-27/18	896.00	251 4762308	896.00
			GK-PUBLIC SFTY STFF-04/23-27/18	373.00	101 4820308	373.00
			SB-FINANCE STAFF-04/23-27/18	930.00	101 4310308	930.00
			AT-LCE STAFF-04/23-27/18	1,002.00	490 4370308	1,002.00
				<u>8,595.24</u>		<u>8,595.24</u>
7395832	1919	SAV-ON FENCE COMPANY	CHAIN LINK FENCE REPLACEMENT	3,175.00	484 4752404	3,175.00
7395833	06664	SEA SUPPLY	NSC-CN LNR/T PPR/GLVS/ARSL	1,165.73	101 4635404	1,165.73
7395834	08900	SEALES, JOYCELYN	RFND-CLASS REGISTRATION	65.00	101 2182001	65.00
7395835	08740	SFG RETIREMENT PLAN CONSULTING 04/18-ADVISORY FEE		3,500.00	101 4320301	3,500.00
7395836	1894	SIGNS & DESIGNS	RC-NAMEPLATE	17.88	306 4542259	17.88
			CD-NAMEPLATE/ACOSTA-CHMBR DAIS	26.28	101 4100205	26.28
			MOAH-VINYL WALL STICKERS	533.27	101 4644251	533.27
			FLEET VEHICLE DECALS(24)	374.49	101 4753214	374.49
				<u>951.92</u>		<u>951.92</u>
7395837	07139	SITEONE LANDSCAPE SUPPLY LLC	HP-CONTROL VALVE	375.91	101 4634404	375.91
			RTRN-HP-CONTROL VALVE	(375.91)	101 4634404	(375.91)
			HP-CONTROL VALVE	375.91	101 4634404	375.91
				<u>375.91</u>		<u>375.91</u>
7395838	5210	SLATER PIANO SERVICE	PIANO LEG/LYRE REPAIRS	350.00	101 4680225	350.00
7395839	01816	SMITH PIPE & SUPPLY INC	CONNECTORS(100)	11.61	203 4636404	11.61
			ROSE/FLOWER FOOD	28.36	203 4636404	28.36
			COUPLINGS/CEMENT/PRIMER	87.80	203 4636404	87.80
			LMS-CNTRLLR/NZZLS/LTCHNG SOL	174.17	101 4632404	174.17
			LMS-VALVE/LATCHING SOLENOID	77.53	101 4632404	77.53
			PF-KEYS/HOSE SWIVELS	285.03	101 4682222	285.03
			OMP-VALVE BOX LIDS(2)	39.07	101 4634404	39.07
			PF-VALVE/CAPS	143.00	101 4682222	143.00
			PF-COUPLINGS/CONNECTORS/KEYS	81.99	101 4682222	81.99
			PIPE/HOSE REPAIR KIT	22.78	101 4633403	22.78
			NSC-POP UPS(24)	611.01	101 4635404	611.01
			TBP-VLV/CMNT/PRMR/PIPE/PVC	128.50	101 4631404	128.50
			LUC-PVC UNIONS(6)	138.65	101 4633403	138.65
				<u>1,829.50</u>		<u>1,829.50</u>
7395840	04688	SPARKLETTS	WATER(7-24PKS)	123.48	101 4100205	123.48
7395841	06429	STANTEC CONSULTING SRVCS INC	CP17012-STREET IMPROVEMENTS	8,620.00	209 16ST007924	8,620.00

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			CP17012-STREET IMPROVEMENTS	1,270.00	209 16ST007924	1,270.00
				9,890.00		9,890.00
7395842	D2143	STREAMLINE AUDIO VISUAL, INC	PF-BACKLINE/TECHNICIAN	6,650.00	101 4682222	6,650.00
7395843	05590	STUDIO EQUIPMENT RENTALS INC	LMS-ROLLER RENTAL-03/29/18	195.00	101 4632602	195.00
7395844	06763	SUPPLYWORKS	LMS-SOAP/T PPR/TOWLS/SEAT CVRS	683.46	101 4632406	683.46
7395845	A6479	TAFT ELECTRIC COMPANY	14 F/AVE J-RPLC SOFFIT LGHTNG	8,456.99	483 4755665	8,456.99
7395846	2007	TARGET SPECIALTY PRODUCTS	LMS-FIELD FERTILIZER(13 BAGS)	423.63	101 4632404	423.63
7395847	C4724	THE ACTIVE NETWORK LLC	HARDWARE	15,694.39	101 2175000	(108.21)
			MAINTENANCE AND SUPPORT RNWL	16,400.00	101 4315291	15,802.60
				32,094.39	101 4315302	16,400.00
						32,094.39
7395848	08087	THE BAYSHORE CONSULTING GROUP	CCEA-RMEA IMPLEMENTATION SVCS	2,761.04	491 4370004I	2,761.04
			04/18-CCEA-SJP CONSULTING	2,761.04	491 4370001P	2,761.04
			04/18-CCEA-PRIME CONSULTING	2,761.04	491 4370002P	2,761.04
				8,283.12		8,283.12
7395849	07372	THE MODERN TEA ROOM, LLC	LCE-MEETNG CATERNG-05/10/18	188.34	490 4370205	188.34
7395850	C5522	THOMSON REUTERS-WEST PMT CENT	04/18-INFORMATION CHARGES	492.82	101 4400301	492.82
			LIBRARY PLAN-04/05/18-05/04/18	24.55	101 4400301	24.55
				517.37		517.37
7395851	04239	TIM WELLS MOBILE TIRE SERVICE	SVC CALL/FLT RPR-EQ3826	95.00	203 4752207	95.00
			SVC CALL/FLT RPR-EQ3770	95.00	203 4752207	95.00
			TIRE-EQ5603	91.31	101 4632207	91.31
			REPAIR-EQ3831	35.14	203 4752207	35.14
				316.45		316.45
7395852	C2555	TIME WARNER CABLE	05/09-06/08/18-BASIC TV	28.53	101 4315651	28.53
7395853	D3099	TPX COMMUNICATIONS	05/18-TELEPHONE SERVICE	11,072.33	101 4315651	10,910.76
					490 4370651	161.57
				11,072.33		11,072.33
7395854	08319	TRIEPEI SMITH & ASSOCIATES INC	CCEA-04/18-MARKETING/SALES	6,350.00	491 4370205	6,350.00
7395855	05551	UNITED SITE SRVCS OF CA,SO DIV	LUC-FENCE RNTL-04/20-05/17/18	61.32	101 4633403	61.32
7395856	31009	UNIVERSAL ELECTRONIC ALARMS	CDR ST-05/18-SECURITY ALARM	37.00	101 4633301	37.00
			PAC-05/18-FIRE ALARM/MAINTNNCE	56.00	402 4650301	56.00
			MOAH-05/18-FIRE ALARM	27.00	101 4633301	27.00
			PAC-05/18-SECURITY ALARM	27.00	402 4650301	27.00
			MOAH-05/18-SECURITY ALARM	27.00	101 4633301	27.00

City of Lancaster Check Register



From Check No.: 7395538 - To Check No.: 7395872

From Check Date: 05/06/18 - To Check Date: 05/19/18

Printed: 5/22/2018 10:13

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			CH-05/18-SECURITY ALARM	27.00	101 4633301	27.00
				201.00		201.00
7395857	D4112	VALLEJO, LINDA	GRANTWRITING SEMINAR-05/16/18	1,580.55	101 4680225	1,580.55
7395858	2228	VALLEY CONSTRUCTION SUPPLY INC	BLADE/SPRYR/HMMRS/TRWLS/GLVS	1,218.84	203 4752410	1,218.84
7395859	D3370	VERIZON WIRELESS	04/18-IPAD SERVICE	2,580.24	101 4315651	2,580.24
			04/18-WIRELESS SERVICE	2,002.60	101 4315651	2,002.60
				4,582.84		4,582.84
7395860	04496	VULCAN MATERIAL WESTERN DIV	ASPHALT	280.73	484 4752410	280.73
			COLD MIX	279.99	484 4752410	279.99
				560.72		560.72
7395861	05087	WALSMA OIL COMPANY	UNLEADED(5945)/DIESEL(1493)	23,345.62	101 1620000	23,345.62
7395862	31026	WAXIE SANITARY SUPPLY	PF-T PPR/TWLS/DSNFCTNT/CN LNR	1,952.30	101 4682222	1,952.30
7395863	04627	Z A P MANUFACTURING INC	SIGN REMOVALS/REFACINGS	2,150.31	203 4785455	2,150.31
7395864	C5392	CARDLOCK FUELS SYSTEM	QRTLTY LEASE PYMNT-1ST QTR 2018	281,306.00	101 4330603	47,804.00
					991 4540963	233,502.00
				281,306.00		281,306.00
7395865	00116	A V ENGINEERING	DIV/AVE I-INFILL DVLPMNT PRJCT	1,575.00	361 4541900	1,575.00
			DIV/AVE I-INFILL DVLPMNT PRJCT	1,932.50	361 4541900	1,932.50
			MEDICAL CORRIDOR DEVELOPMENTS	4,012.50	361 4541900	4,012.50
			MEDICAL CORRIDOR DEVELOPMENTS	2,952.50	361 4541900	2,952.50
			CRTVE HSNG PRJCT-PRGRS BILLNG	9,550.00	361 45419011	9,550.00
			CRTVE HSNG PRJCT-PRGRS BILLNG	11,750.00	361 45419011	11,750.00
			WC-RESIDENTIAL IN FILL	2,750.00	306 4542901S	2,750.00
			WC-RESIDENTIAL IN FILL	19,022.50	306 4542901S	19,022.50
				53,545.00		53,545.00
7395866	06351	C T WEST, INC	INTELIGHT CONTROLLERS(97)	291,029.10	217 11TS001924	58,205.82
					321 11TS001924	232,823.28
				291,029.10		291,029.10
7395867	00781	GRANITE CONSTRUCTION CO.	CP17008-10TH ST W GAP CLOSURE	55,761.67	209 15ST026924	27,493.09
					232 15ST026924	11,835.62
					321 15ST026924	16,432.96
				55,761.67		55,761.67
7395868	06681	PACIFIC ENERGY ADVISORS, INC	04/18-CCEA CONSULTING SERVICES	18,000.00	491 4370003P	18,000.00
			04/18-CCEA CONSULTING SERVICES	18,193.99	491 4370201	193.99
					491 4370002P	18,000.00
			04/18-CCEA CONSULTING SERVICES	18,193.98	491 4370201	193.98
					491 4370001D	18,000.00
			04/18-CCEA CONSULTING SERVICES	12,193.99	491 4370004I	193.99

City of Lancaster Check Register



From Check No.: 7395538 - To Check No.: 7395872

From Check Date: 05/06/18 - To Check Date: 05/19/18

Printed: 5/22/2018 10:13

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				66,581.96	491 43700041	12,000.00 66,581.96
7395869	06313	R C BECKER & SON, INC	CP17011-20TH ST W IMPROVMNTS-4 CP17011-20TH ST W IMPROVMNTS-5	348,796.25 364,608.81 713,405.06	209 12ST032924 209 12ST032924	348,796.25 364,608.81 713,405.06
7395870	05934	SHI INTERNATIONAL CORP	HARDWARE HARDWARE DATA PROTECTION SOFTWARE	37,250.43 44,192.72 1,500.00 82,943.15	101 4315291 109 4315291 101 4315302	37,250.43 44,192.72 1,500.00 82,943.15
7395871	2003	TIP TOP ARBORISTS, INC	1227 PASTEUR-STUMP/ASH RMVL 1227 PASTEUR-TREE REMOVALS 04/18-TREE TRIMMING/REMOVAL TREE INJECTIONS 04/18-TREE TRIMMING/REMOVAL	1,085.00 710.00 17,739.00 23,840.00 11,814.50 55,188.50	363 4542770 363 4542770 483 4636267 203 4636267 203 4636267	1,085.00 710.00 17,739.00 23,840.00 11,814.50 55,188.50
7395872	05834	VENCO WESTERN, INC	04/18-PERIMETER AREAS MTNC 04/18-MAINTENANCE SERVICES 04/18-LBP-LANDSCAPE MTNC 04/18-IRRIGATION REMEDIAL RPRS	24,448.14 43,217.02 3,626.23 1,891.67 73,183.06	203 4636264 482 4636402 482 4636401 482 4636404	24,448.14 43,217.02 3,626.23 1,891.67 73,183.06

Chk Count 335

Check Report Total 3,110,595.57

STAFF REPORT
City of Lancaster

CC 3
6/12/18
MVB

Date: June 12, 2018
To: Mayor Parris and City Council Members
From: Pam Statsmann, Finance Director
Subject: **Transfer of Funds for Unclaimed Checks**

Recommendation:

Approve the transfer of funds for checks issued by the City for individual items less than fifteen dollars (\$15) which have remained unclaimed for the period of one year and the transfer of funds for checks issued by the City for individual items fifteen dollars (\$15) or greater which have remained unclaimed for the period of three years and have successfully completed the disposition procedures as outlined in the City Administrative Policy for Unclaimed and Uncashed Checks.

Fiscal Impact:

A \$357.42 increase to the City's general fund revenue account.

Background:

California Government Code sections 50050-50057 establish the rights and procedures related to unclaimed checks issued by local agencies and City Administrative policy 200-08 stipulates the proper accounting and disposition procedures for these unclaimed checks. The City is permitted to seize any individual items of less than fifteen dollars (\$15.00) which remain unclaimed in the treasury or in the official custody of the City for the period of at least 12 months by order of the Lancaster City Council without the necessity of publication of a notice in a newspaper.

With Council approval, staff will transfer to the City's General Fund revenue account nine (9) uncashed checks dated at least one year prior to December 31, 2017, totaling \$357.42.

PS:cu

Attachment:

Listing of checks

FUND	CHECK NUMBER	DATE	AMOUNT	VENDOR #	VENDOR NAME
TO BE SENT TO COUNCIL IN JUNE 2018					
402	7364862	3/14/2014	\$ 300.00	C0685	GURTMAN & MURTHA ASSN, INC
101	268659	12/5/2014	\$ 33.10	14-0101	BRYANT, ALEXANDER T
490	7380362	5/20/2016	\$ 5.10	07395	BROOKS, ANITA
490	7380366	5/20/2016	\$ 1.03	07441	CLAROS, CHRISTIAN
490	7380377	5/20/2016	\$ 1.35	07442	GANDARA, FREDDY
490	7380394	5/20/2016	\$ 2.73	07446	MORAN, JEANNE M
490	7380406	5/20/2016	\$ 5.07	07424	TAGLE, MAURICIO
490	7380407	5/20/2016	\$ 6.53	07405	TREWITT, JUSTIN
490	7380413	5/20/2016	\$ 2.51	07432	WILSCAM, JOELINDA
		TOTAL	\$ 357.42		

STAFF REPORT
City of Lancaster

CC 4
06/12/18
MVB

Date: June 12, 2018

To: Mayor Parris and City Council Members

From: Chenin Dow, Economic Development Manager

Subject: **Land Purchase**

Recommendations:

- a. Adopt **Resolution No. 18-25**, approving the purchase of certain properties and authorizing execution of a purchase and sale agreement or agreements in connection therewith.
- b. Appropriate \$2,000,000 from account number 101-2900-000, Fund Balance to account number 101-4540-912, Property Acquisition.

Fiscal Impact:

\$2,000,000, with the opportunity to recoup these funds when the land is sold for future development.

Background:

Throughout its existence, the former Lancaster Redevelopment Agency acquired a number of commercial properties throughout Lancaster with the goal of stimulating future development. A majority of these properties were designated for liquidation under the Lancaster Successor Agency's 2013 Long-Range Property Management Plan, in accordance with the dissolution of redevelopment.

The proposed resolution would allow for the purchase of a handful of parcels identified as a priority for long-term development. Through this transaction, the City of Lancaster would gain control of the future of these properties, facilitating efforts to develop them over the long term.

The affected properties include various parcels in the Front Row Center area, located adjacent to Cinemark 22 Theatres; an unimproved parcel located near the northeast corner of Avenue K-8 and 15th Street West; and a parcel located on the southwest corner of Avenue J and Beech Avenue.

Estimated pricing for each of these sites is as follows:

- 3153-067-900: \$60,000
- 3153-067-912: \$50,000
- 3153-067-007, -008, -009: \$140,000
- 3153-015-045, -046, -047, -048: \$160,000
- 3132-009-901: \$20,000
- 3153-015-958: \$680,000
- 3153-015-959: \$860,000
- 3125-009-904: \$30,000

This bulk sale will not only comply with the Successor Agency's obligations under the LRPMP to liquidate these properties, but also empower the City of Lancaster to collaborate with the private sector to develop the properties for the benefit of our community.

CD:te

Attachments:

Resolution No. 18-25

Purchase and Sale Agreement

RESOLUTION NO. 18-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, APPROVING THE PURCHASE OF CERTAIN PROPERTIES AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT OR AGREEMENTS IN CONNECTION THEREWITH

WHEREAS, the Oversight Board for the Successor Agency to the Lancaster Redevelopment Agency ("Oversight Board") previously approved a Long Range Property Management Plan (the "2013 LRPMP") as submitted by the Successor Agency to the Lancaster Redevelopment Agency (the "Successor Agency"); and

WHEREAS, the Successor Agency received comments from the California Department of Finance ("DOF") indicating that certain revisions were required to the 2013 LRPMP, following the receipt of which the Successor Agency prepared and submitted to the Oversight Board for its consideration a revised draft long range property management plan, in a form subsequently approved by the Oversight Board and, thereafter, DOF in 2015 (as so amended, the "LRPMP"); and

WHEREAS, among the properties listed in the LRPMP are those certain properties listed in Exhibit "A" hereto (the "Listed Properties"); and

WHEREAS, the former Lancaster Redevelopment Agency ("Former Agency") engaged in efforts to market the Listed Properties for sale. Efforts by the Former Agency to sell the Listed Properties were not successful; and

WHEREAS, the City is prepared to pay and now offers to pay for the Listed Properties (and each of them) the respective amounts therefor as set for in the accompanying staff report (each amount constituting the "Price" and, as aggregated, the "Prices"), with the cost for preparation of title insurance policies, escrow fees and other closing costs to be allocated in the manner customary for transactions in southern California. The Prices, less those costs allocable to the Successor Agency as seller, would be applied as part of the redevelopment property tax trust fund ("RPTTF") and thus would be available to be factored out ratably among taxing agencies. In addition to benefiting from the allocation of purchase money (net of closing costs), the taxing agencies would benefit by the Successor Agency being spared the cost and burden for the ongoing maintenance of the Listed Properties; and

WHEREAS, the offer of the City to purchase the Listed Properties on the terms set forth above, in addition to other customary terms and conditions, is set forth in the draft agreement for the sale by Successor Agency to the City of the Property, in the form submitted herewith (the "Purchase and Sale Agreement"). It is understood and approved that a separate Purchase and Sale Agreement may be approved as to each of the Listed Properties; and

WHEREAS, by this Resolution, the City Council approves the acquisition of the Listed Properties, and each of them, on the terms set forth above in this Resolution;

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

Section 1. The City Council approves the acquisition of each of the Listed Properties under the terms and conditions as set forth above as more particularly set forth in the Purchase and Sale Agreement.

Section 2. The City Council approves a Purchase and Sale Agreement substantially in the form submitted as to each of the Listed Properties and authorizes and directs the City Manager to execute, on behalf of the City, a Purchase and Sale Agreement as to each of the Listed Properties and to execute a grant deed or grant deeds or other form of deed to transfer each of the Listed Properties to the City as well as such other instruments as may be necessary or convenient to effect the transfer of the Listed Properties to the City as described herein, including without limitation deed acceptances.

Section 3. In the event a transfer of a particular Listed Property is hereafter not approved, or if the City hereafter elects to refrain from taking title to such Listed Property, this Resolution shall remain in full force and effect as to the remainder of the Listed Properties.

Section 4. The City Clerk shall maintain on file as a public record this Resolution.

PASSED, APPROVED and ADOPTED this 12th day of June, 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, California, do hereby certify that this is a true and correct copy of the original Resolution
No. 18-25, 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)

EXHIBIT "A"

LISTED PROPERTIES

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally

drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

A non-exclusive easements for ingress and egress of motor vehicles and pedestrians to permit the free flow of vehicular and pedestrian ingress and egress to, from, over and across the Southerly 12.00 feet and the Westerly 15 feet of Parcel 9 and the Westerly 15 feet of Parcel 10 of amended Parcel Map No. 24368, in the City of Lancaster, as per map filed in Book 273, Pages 65 to 10 inclusive of parcel maps, in the office of the County Recorder of said county.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Also, except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

The South half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-958

Parcel 9

The North half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-959

Parcel 10

0.48 MORE OR LESS AC BEING EX OF ST LOT COM E 191.625 FT FROM NE COR OF TRACT

NO 17256 TH E 161.625 FT TH S 0°02'27" E 150 FT TH W 161.625 FT TH N 0°02'27" W

TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901

Parcel 11

All of that parcel of land being the Southwest quarter of the Northeast quarter of Section 28, Township 7 North, Range 12 West, San Bernardino Base and Meridian, in the City of Lancaster, County of Los Angeles, State of California, according to the official plat of said land, except therefrom that portion lying easterly of the land described as Parcels, 1, 2 and 3 in the Deed to the State of California recorded June 27, 1968 as Instrument No. 417, Official Records of said County, said parcel of land also being described in the Certificate of Compliance recorded September 1, 1988 as Instrument No. 88-1395036, Official Records of said County.

EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

BEGINNING at a point on the West line of said Northeast quarter of Section 28 distant North 0°24'01" West 547.17 from the Southwest corner thereof; thence,

1st - South 89°38'50" East 767.88 feet to the East line of said land, being also the West line of said Parcel 1 in the Deed to the State of California.

Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

SELLER: Successor Agency to the Lancaster
Redevelopment Agency

BUYER: City of Lancaster, a municipal corporation and
charter city

DATED: June 19, 2018

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

BASIC TERMS

Buyer: City of Lancaster, a municipal corporation and charter city

Buyer's Address: City of Lancaster
Attention: Chenin Dow
44933 N. Fern Avenue
Lancaster, CA 93534
Email: cdow@cityoflanaster.org

Closing Contingency Date: August 31, 2018

Closing Date (or Closing) Estimated to occur by August 17, 2018, but not later than the Outside Date

Deed: A grant deed in the form of Exhibit B hereto

Effective Date: June 19, 2018

Escrow Holder: First American Title Company
42220 10th Street West, Suite 108
Lancaster, California 91761
Attention: Marnie Kennedy, Senior Escrow Officer/Branch Manager
(direct: (661) 206-3415; email: mkennedy@firstam.com)

Independent
Consideration Amount: One Hundred Dollars (\$100.00)

Outside Date: October 17, 2018; provided that such date may be extended with the prior written approval of Buyer and Seller, each acting in the discretion of its chief executive officer

Purchase Price: _____ Dollars (\$ _____)

Real Property: That property described in Exhibit A hereto; the subject property is sometimes referred to as APN(s) _____

Seller: Successor Agency to the Lancaster Redevelopment Agency

Seller's Address: 44933 N. Fern Avenue
Lancaster, California 93534
Attention: Chenin Dow
Tel. (661) 723-6165
Email: cdow@cityoflanaster.org

Soil and Title Contingency
Date: July 31, 2018

Title Company:

First American Title Company
42220 10th Street West, Suite 108
Lancaster, California 91761
Attention: Steve DeGrandis, Senior Title Officer
(direct: (661) 206-3421; email: sdegrandis@firstam.com)

**PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS**

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** (“Agreement”) is made and entered into as of June 19, 2018 (the “Effective Date”) by and between Seller and Buyer.

RECITALS

A. Seller is the fee owner of the Real Property.

B. Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer has considered the offer by Seller and agrees to buy from Seller the Real Property, as more specifically described below.

C. In addition to the Purchase Price, material considerations to Seller in agreeing to enter into this Agreement, Buyer has agreed to pay to Seller the Independent Consideration Amount as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **Purchase and Sale.** Seller hereby agrees to sell the Real Property to Buyer, and Buyer hereby agrees to purchase the Real Property from Seller, on the terms and conditions set forth in this Agreement. The term Real Property is defined collectively as the following: The fee interest in the Real Property to be conveyed by a grant deed in the form of the Deed.

2. **Payment of Consideration.** As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price for the Real Property. Upon receipt of the Purchase Price (less any adjustments made to clear liens and to defray Seller’s costs of sale including, but not limited to, the preparation of legal documents and costs incurred by the Buyer or Seller to validate the purchase price and the Seller’s share of closing costs), Seller may use such moneys for any purpose of its choosing.

3. **Escrow and Independent Consideration.**

(a) **Opening of Escrow.** For the purposes of this Agreement, the escrow (“Escrow”) shall be deemed opened (“Opening of Escrow”) on the date that Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Buyer and Seller shall use their best efforts to cause the Opening of Escrow to occur on or before five (5) business days after the Effective Date. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instruments shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Agreement, then the terms of this Agreement shall control. Without limiting the

generality of the foregoing, no such instruments shall extinguish any obligations imposed by this Agreement or any other agreement between Seller and Buyer.

(b) **Independent Consideration.** (i) Within two (2) days after the Effective Date, Buyer shall pay to Seller the Independent Consideration Amount to be retained by Seller as non-refundable independent consideration but applicable to the Purchase Price. The Independent Consideration Amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement and Buyer holding the Real Property off the market for a period commencing as of the Effective Date and continuing until the Outside Date and for the rights and privileges granted to Buyer herein, including any and all rights granted to Buyer to terminate this Agreement under the circumstances provided for herein. Notwithstanding anything to the contrary contained in this Agreement, the Independent Consideration Amount shall be non-refundable in all events, except for (i) Seller's default hereunder, (ii) the failure of the Oversight Board of the Successor Agency to the Lancaster Redevelopment Agency (the "Oversight Board") to approve the sale of the Real Property as provided under this Agreement, and (iii) actions by the California Department of Finance ("DOF") which prevent the disposition of the Real Property to Buyer as provided under this Agreement. If the Closing occurs, a credit shall be applied to the Purchase Price based upon payment of the Independent Consideration Amount.

(ii) **Closing.** For purposes of this Agreement, the "Closing" or "Closing Date" shall be the date the Deed (as defined below) is recorded pursuant to applicable law in the county in which the Real Property is located. Unless changed in writing by Buyer and Seller, the Closing shall occur on the Closing Date, or as soon thereafter as the conditions precedent to closing are satisfied pursuant to Sections 6 and 7 of this Agreement. If the Closing has not, for any reason, occurred by the Closing Date, then either Buyer or Seller may terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of such termination, then such termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party.

4. Seller's Delivery of Real Property and Formation Documents. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the following items (collectively, the "Property Documents"):

(a) Such proof of Sellers' authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company consistent with the terms of this Agreement, including without limitation approval of the Oversight Board of the sale of the Real Property by Seller to Buyer or evidence that such approval is not necessary.

In addition, Seller shall cause Escrow Holder to obtain and deliver to Buyer a Natural Hazard Report as provided for under Sections 1102 and 1103 of the California Civil Code (the "Natural Hazard Report") on or before the Soil and Title Contingency Date.

5. Buyer's Right of Entry. From and after the Opening of Escrow through the earlier to occur of the termination of this Agreement or the Soil and Title Contingency Date, or as otherwise agreed in writing by Seller prior to entry is effected, Buyer and Buyer's employees, agents, consultants and contractors shall have the right to enter upon the Real Property during normal business hours, provided reasonable prior notice has been given to Seller.

(a) Investigation of the Real Property. In addition to the foregoing, the Buyer shall have the right, at its sole cost and expense, prior to the Soil and Title Contingency Date, to engage its own environmental consultant (the "Environmental Consultant") to make such investigations as Buyer deems necessary or appropriate, including any "Phase 1" or "Phase 2" investigations of the Real Property. If, based upon such evaluation, inspections, tests or investigation, Buyer determines that it, in its discretion, does not wish to proceed with purchase of the Real Property based upon the condition of the Real Property, Buyer may cancel this Agreement by giving written notice of termination to Seller on or before the Soil and Title Contingency Date which specifically references this Section 5. If Buyer does not cancel this Agreement by the time allowed under this Section 5, Buyer shall be deemed to have approved the evaluation, inspections and tests as provided herein and to have elected to proceed with this transaction on the terms and conditions of this Agreement. Buyer shall provide a copy to Seller of all reports and test results provided by Buyer's Environmental Consultant promptly after receipt by the Buyer of any such reports and test results without any representation or warranty as to their accuracy or completeness.

Buyer shall bear all costs, if any, associated with restoring the Real Property to the condition prior to its testing by or on behalf of Buyer if requested to so do by Seller. Buyer is a sophisticated party and is familiar with the acquisition and use of property, including for commercial uses.

(b) No Warranties as to the Real Property. The physical condition and possession of the Real Property, is and shall be delivered from Seller to Buyer in an "as is" condition, with no warranty expressed or implied by Seller. In addition, Seller makes no representations, warranties or assurances concerning the Real Property, its suitability for any particular use or with regard to the approval process for entitlements as to the Real Property.

6. Buyer's Conditions Precedent and Termination Right.

(a) Conditions Precedent. Buyer's obligation to consummate the purchase of the Real Property under this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, "Buyer's Contingencies"), which are for Buyer's benefit only.

(i) Title Review. Within thirty (30) calendar days after the Opening of Escrow, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the "Report") describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the "Exceptions") set forth in the Report; provided that the cost of the Report shall be borne by Seller. On or before the Soil and Title Contingency Date, Buyer shall have approved in writing, in Buyer's sole discretion, any matters of title disclosed by the following (collectively, the "Title Documents"): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Real Property and (iv) any survey Buyer desires to obtain at Buyer's sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent).

(ii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company's premium, have agreed to issue to Buyer, a standard ALTA owner's policy of title insurance insuring only as to matters of record title ("Standard

Buyer's Title Policy") in the amount of the Purchase Price showing fee title to the Real Property vested solely in Buyer and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Real Property created by or with the written consent of Buyer; and (iv) those matters specifically approved in writing by Buyer. Buyer shall have the right, at its sole cost and expense, to obtain coverage beyond that offered by a Standard Buyer's Title Policy (such as an owner's extended coverage ALTA policy); provided, however, that Buyer's ability to obtain such extended coverage shall not be a Buyer's Contingency and Buyer's obligations hereunder shall in no way be conditioned or contingent upon obtaining such extended coverage. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any endorsements and for any survey or other matters required by the Title Company for such extended coverage.

In the event Buyer enters into a loan agreement to generate moneys to purchase the Real Property from Seller under this Agreement, Buyer and not Seller shall be responsible for the title insurance, closing costs and any other costs, fees or expenses in relation to Buyer obtaining such loaned moneys. The sale shall be all cash to Seller.

(iii) Physical and Legal Inspections and Studies. On or before Soil and Title the Contingency Date, Buyer shall have approved in writing, in Buyer's sole and absolute discretion, the results of any physical and legal (but not feasibility or economic) inspections, investigations, tests and studies Buyer elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; soils, seismic and geologic reports; environmental audits, inspections and studies; environmental investigation or other invasive or subsurface testing; and any other physical or legal inspections and/or investigations as Buyer may elect to make or obtain.

(iv) Natural Hazard Report. Seller shall cause the Escrow Holder to provide to Buyer prior to the Soil and Title Contingency Date the Natural Hazard Report described at Section 8(a)(iii) of this Agreement; provided that Seller shall bear the cost to prepare such Natural Hazard Report.

(v) Property and Formation Documents. On or before the Soil and Title Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the terms, conditions and status of all of the Property Documents.

(vi) Delivery of Documents. Seller's delivery of all documents described in Section 8, below.

(vii) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(viii) Title Company Confirmation. The Title Company shall have confirmed that it is prepared to issue the Buyer's Title Policy consistent with the provisions of this Agreement.

(ix) Oversight Board and DOF Approval. The Oversight Board and, if required as a condition of the issuance of title insurance or by either party hereto, approval by DOF,

shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement.

(x) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) Termination Right. Each of (i) and (ii) shall operate independently and each shall entitle Seller to terminate this Agreement, as follows:

(i) If the Independent Consideration Amount is not paid by Buyer to Seller by the time set forth therefor in Section 3(b)(i) of this Agreement, then this Agreement may terminate at the election of Seller upon Seller giving written notice thereof to Buyer;

(ii) If any of Buyer's Contingencies are not met by the Outside Date, and Buyer so informs Seller, Buyer may, by written notice to Seller, terminate this Agreement.

If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If the Agreement has not been terminated pursuant to (i) or (ii) of this Section 6(b) and Buyer has not terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Monday preceding the scheduled Closing ("Termination Notice Deadline"), then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as the items set forth in Sections 6(a)(i)-(xi) inclusive, prior to the Termination Notice Deadline, such Buyer's Contingencies shall be deemed to have been satisfied.

If this Agreement is terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees.

(c) Seller's Cure Right. Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

7. **Seller's Conditions Precedent and Termination Right.** Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following condition precedent ("Seller's Contingencies"), which are for Seller's benefit only:

(a) **Completion of Title Review.** Seller shall have received written confirmation from Buyer on or before the Soil and Title Contingency Date that Buyer has completed its review of title and that the condition of title satisfactory.

(b) **Confirmation Regarding Buyer's Title Policy.** Seller shall have received written confirmation from Buyer on or before the Soil and Title Contingency Date that Buyer has approved a pro forma title policy.

(c) **Liens.** Seller shall have obtained the consent of any lien holder to the release of such liens prior to or concurrent with closing.

(d) **Oversight Board and DOF Approval.** The approval by the Oversight Board and DOF shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement unless the Title Company determines that such approval is not required in order for the Title Company to insure title.

(e) **Delivery of Documents.** Buyer's delivery of all documents described in Section 9(a), below.

Should any of Buyer's Contingencies not be met by the respective times set forth for the satisfaction for such contingency (and without regard to whether all such contingencies have been removed or satisfied) and Buyer has so informed Seller, Seller may, by written notice to Buyer, terminate this Agreement; such termination rights shall be in addition to those termination rights of Seller as set forth in Section 6. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer.

8. **Seller's Deliveries to Escrow Holder.**

(a) **Seller's Delivered Documents.** At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) **Deed.** The Deed attached hereto as Exhibit B.

(ii) **FIRPTA/Tax Exemption Forms.** The Transferor's Certification of Non-Foreign Status in the form attached hereto as Exhibit C (the "FIRPTA Certificate"), together with any necessary tax withholding forms, and a duly executed California Form 593-C, as applicable (the "California Exemption Certificate").

(iii) **Hazard Disclosure Report.** Unless earlier delivered to Buyer, Seller shall cause Escrow Holder to obtain and deliver to Buyer, at Seller's cost, a Natural Hazard Report as provided for under Sections 1102 and 1103 of the California Civil Code (the "Natural Hazard Report") before the Closing.

(iv) Possession of Real Property. Possession of the Real Property free of any tenancies or occupancy.

(v) Authority. Such evidence of Seller's authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company which are consistent with the terms of this Agreement.

(vi) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company which are consistent with the terms of this Agreement.

(b) Failure to Deliver. Should any of Seller's Delivered Items not be timely delivered to Escrow, Buyer may, by written notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such notice provide Seller with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer. Under no circumstances shall Buyer have any responsibility to or duty to pay consultants or real estate brokers retained by Seller, Seller being solely responsible in connection with any such contractual arrangements of Seller.

9. Buyer's Deliveries to Escrow. At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following, each duly executed and acknowledged, by Buyer as appropriate ("Buyer's Delivered Items"):

(a) Purchase Price. The Purchase Price, less amounts which Seller confirms in writing to Escrow Holder were theretofore paid to Seller as the Independent Consideration Amount, together with additional funds as are necessary to pay Buyer's closing costs set forth in Section 10(b) herein. In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code, as evidenced by the delivery at Closing of the California Exemption Certificate duly executed by Seller, Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer for payment to the California Franchise Tax Board in accordance with Section 11(b) hereof. In the event Seller is not exempt from such withholding or does not otherwise deliver the California Exemption Certificate at Closing, Buyer shall execute and deliver three (3) originals of California Form 593 to Title Company at or immediately after Closing.

(b) Change of Ownership Report. One (1) original Preliminary Change of Ownership Report.

(c) Final Escrow Instructions. Buyer's final written escrow instructions to close escrow in accordance with the terms of this Agreement.

(d) Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or the Title Company.

(e) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

10. Costs and Expenses.

(a) Seller's Costs. If the transaction contemplated by this Agreement is consummated, then Seller shall be debited for and bear the following costs: (i) costs and charges associated with the removal of encumbrances; (ii) Seller's share of prorations; (iii) one half of the premium for a Standard Buyer's Title Policy with coverage in the amount of the Purchase Price; (iv) one half of the Escrow Holder's fee; (v) one half of the appraisal charges incurred by Seller or the Buyer as to the Real Property; (vi) documentary recording fees, if any; (vii) documentary transfer tax, if any; and (viii) costs, if any, allocable to Seller under this Agreement and costs for such services as Seller may additionally request that Escrow perform on its behalf (which foregoing items collectively constitute "Seller's Costs and Debited Amounts").

(b) Buyer's Costs. If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) one half of the Escrow Holder's fee; (ii) Buyer's share of prorations, (iii) one half of the premium for a Standard Buyer's Title Policy with coverage in the amount of the Purchase Price; (iv) the premium for title insurance other than or in excess of a Standard Buyer's Title Policy based on the Purchase Price, and, if applicable, the cost for any survey required in connection with the delivery of an ALTA owner's extended coverage policy of title insurance; (v) one half of escrow charges; (vi) one half of the appraisal charges incurred by Seller or the Buyer as to the Real Property; (vii) one half of recording and other costs of closing; (viii) costs, if any, for such services as Buyer may additionally request that Escrow perform on its behalf; (ix) any remuneration payable to Buyer's Agent (which may be paid outside of escrow as referenced in Section 9(e), above); and (x) any costs associated with Buyer borrowing money in order to pay to Seller the Purchase Price (collectively, "Buyer's Costs and Debited Amounts").

(c) Generally. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby. Escrow Holder shall disburse those amounts for matters referenced in Section 2 as directed in writing by Seller. Buyer represents to Seller that Buyer has not engaged the services of any consultants, finders or real estate brokers in connection with the purchase of the Real Property from the Seller other than Buyer's Agent; Buyer shall be solely responsible to compensate Buyer's Agent, which shall occur outside of escrow and is a matter with which Escrow Holder and Seller need not be concerned. Seller represents to Buyer that Seller has not engaged the services of any consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer.

11. Prorations; Withholding.

(a) All revenues (if any) and expenses relating to the Real Property (including, but not limited to, property taxes, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date; provided that all delinquent taxes shall be satisfied at the expense of Seller. Not less than five (5) business days prior to the Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval (the "Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate

information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

(b) In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code (the "Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed by Seller, (i) Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed copies of California Form 593 to Title Company at or immediately after Closing, (iii) two (2) copies of California Form 593 shall be delivered by Title Company to Seller, and (iv) on or before the 20th day of the month following the month title to the Real Property is transferred to Buyer (as evidenced by the recording of the Grant Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) copy of California Form 593 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 593), to the California Franchise Tax Board.

12. Closing Procedure. When the Title Company is unconditionally prepared (subject to the payment of the premium therefor) to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow in the manner and order provided below.

(a) Recording. Escrow Holder shall cause the Deed to be recorded pursuant to applicable law in the county in which the Real Property is located and obtain conformed copies thereof for distribution to Buyer and Seller.

(b) Disburse Funds. Escrow Holder shall debit or credit (as provided herein) all Buyer's Costs and Debited Amounts, Seller's Costs and Debited Amounts and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (which have been confirmed in writing by Seller to Escrow Holder and which may include any liens as to which such liens and the amount to satisfy such liens) shall be distributed by check payable to Seller unless Escrow Holder is instructed otherwise in writing signed by Seller (and, in such event, in accordance with such instructions). Seller authorizes Escrow Holder to request demands for payment and to make such payments from the Purchase Price (or such other funds, if any, as are advanced by Seller) to defray the cost of removing deeds of trust, liens and other encumbrances (but not for obligations of Buyer). Escrow Holder shall disburse on behalf of Buyer such moneys as are deposited by Buyer (in addition to the Purchase Price and Buyer's share of closing costs) as the commission for Buyer's Agent (unless Buyer's Agent shall deliver a written statement to Escrow Holder which indicates that Buyer has arranged to pay Buyer's Agent outside escrow and that payment of such remuneration is a matter with respect to which Escrow Holder and Seller need not be concerned).

(c) Documents to Seller. Escrow Holder shall deliver to Seller a conformed copy of the Deed, and documents, if any, recorded on behalf of any lender, as duly recorded among the official land records of the County of Los Angeles, and a copy of each other document (or copies thereof) deposited into Escrow by Buyer pursuant hereto.

(d) Documents to Buyer. Escrow Holder shall deliver to Buyer the original FIRPTA Certificate, the original California Exemption Certificate (as applicable), and a conformed copy of each of the Deed as duly recorded among the official land records of the County of Los Angeles, the Natural Hazard Report, one of the instruments described in subsection (f) of Section 7 hereof, and each other document (or copies thereof) deposited into Escrow by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) Title Company. Escrow Holder shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) Closing Statement. Escrow Holder shall forward to both Buyer and Seller a separate accounting of all funds received and disbursed for each party.

(g) Informational Reports. Escrow Holder shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

(h) Possession. Possession of the Real Property shall be delivered to Buyer at the Closing.

13. Representations and Warranties.

(a) Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which are material inducements to Buyer to enter into this Agreement (and but for which Buyer would not have entered into this Agreement) and shall survive Closing:

(i) Seller believes that it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated, subject to the approval of the Oversight Board and, as may be applicable, DOF.

(ii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, Seller believes that all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, the individual executing this Agreement and the instruments referenced herein on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Seller believes that neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note

or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Real Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the right of Seller to convey the Real Property. There are no claims which have been received by Seller that have not been disclosed to Buyer.

(vi) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing.

(vii) There are no leases or rental agreements in effect as to the Real Property.

(viii) Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

(xi) There are not as of the Effective Date, nor will there be as of the Closing, any written or oral leases or contractual right or option to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Real Property or any part thereof, and no person other than Buyer shall have any right of possession to the Real Property or any part thereof as of the Closing.

(xii) No person, excepting Seller, has possession or any rights to possession of the Real Property or portion thereof.

(b) Subsequent Changes to Seller's Representations and Warranties. If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(c) Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder):

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(d) Subsequent Changes to Buyer's Representations and Warranties. If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

14. Fair Value Price. Each of Buyer and Seller believe that the Purchase Price represents a fair value price for the Real Property. At such time as Buyer makes improvements to the Real Property, the costs for planning, designing, and constructing such improvements shall be borne exclusively by the Buyer and the Buyer shall construct or cause to be constructed such improvements in compliance with all the zoning, planning and design review requirements of the Lancaster Municipal Code, and all nondiscrimination, labor standard, and wage rate requirements to the extent such labor and wage requirements are applicable.

15. General Provisions.

(a) Condemnation. If any material portion of the Real Property shall be taken or appropriated by a public or quasi-public authority exercising the power of eminent domain, Buyer shall have the right, at its option, to (i) terminate this Agreement or (ii) proceed with the purchase of the Real Property and receive all of the award or payment made in connection with such taking.

(b) Notices. All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Terms section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

(c) Brokers. Seller assumes sole responsibility for any consultants or brokers ("Seller's Agents") it may have retained in connection with the sale of the Real Property (and Buyer shall have no responsibility in connection with such matters). Seller represents to Buyer that Seller has engaged no private parties as consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer, and there are no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Seller agrees to and does hereby indemnify and hold the Buyer free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the Seller in connection with this Agreement. Buyer assumes sole responsibility for any consultants or brokers ("Buyer's Representatives") it may have retained in connection with the purchase of the Real Property (and Seller shall have no responsibility in connection with such matters). Buyer represents to Seller that Buyer has engaged no consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer, and there are no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Buyer agrees to and does hereby indemnify and hold the Seller free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the Buyer in connection with this Agreement.

(d) Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of

obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

(e) Cooperation. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof and, following Closing.

(f) Remedies. Without limitation as to the availability of other remedies, this Agreement may be enforced by an action for specific enforcement.

(g) Time. Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(h) Extensions at Sole Discretion of Seller. In the event Buyer requests that Seller extend the time for sale of the Real Property, such request may be granted, conditionally granted or denied at the sole and absolute discretion of Seller.

(i) Counterparts; Facsimile Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

(j) Captions. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(k) No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(l) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(m) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(n) Applicable Law. This Agreement shall be governed by and construed in accordance with the local law of the State of California.

(o) Exhibits and Schedules. The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(p) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(q) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(r) Assignment. Neither party may assign its rights under this Agreement without the prior consent of the other party.

[signatures begin on the following page]

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

“SELLER”

SUCCESSOR AGENCY TO THE LANCASTER REDEVELOPMENT AGENCY, a public entity, corporate and politic

By: _____
Mark V. Bozigian
Executive Director

“BUYER”

CITY OF LANCASTER, a municipal corporation and charter city

By: _____
Name: Mark V. Bozigian
Its: City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Acceptance by Escrow Holder:

First American Title Company hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between the Successor Agency to the Lancaster Redevelopment Agency, a public entity, corporate and politic (“Seller”), and City of Lancaster, a municipal corporation and charter city (“Buyer”) and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____, 2018

FIRST AMERICAN TITLE COMPANY

By: _____
Name: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells,

tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

A non-exclusive easements for ingress and egress of motor vehicles and pedestrians to permit the free flow of vehicular and pedestrian ingress and egress to, from, over and across the Southerly 12.00 feet and the Westerly 15 feet of Parcel 9 and the Westerly 15 feet of Parcel 10 of amended Parcel

Map No. 24368, in the City of Lancaster, as per map filed in Book 273, Pages 65 to 10 inclusive of parcel maps, in the office of the County Recorder of said county.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Also, except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

The South half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-958

Parcel 9

The North half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-959

Parcel 10

0.48 MORE OR LESS AC BEING EX OF ST LOT COM E 191.625 FT FROM NE COR OF TRACT

NO 17256 TH E 161.625 FT TH S 0°02'27" E 150 FT TH W 161.625 FT TH N 0°02'27" W

TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

Parcel 11

All of that parcel of land being the Southwest quarter of the Northeast quarter of Section 28, Township 7 North, Range 12 West, San Bernardino Base and Meridian, in the City of Lancaster, County of Los Angeles, State of California, according to the official plat of said land, except therefrom that portion lying easterly of the land described as Parcels, 1, 2 and 3 in the Deed to the State of California recorded June 27, 1968 as Instrument No. 417, Official Records of said County, said parcel of land also being described in the Certificate of Compliance recorded September 1, 1988 as Instrument No. 88-1395036, Official Records of said County.

EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

BEGINNING at a point on the West line of said Northeast quarter of Section 28 distant North 0°24'01" West 547.17 from the Southwest corner thereof; thence,

1st - South 89°38'50" East 767.88 feet to the East line of said land, being also the West line of said Parcel 1 in the Deed to the State of California.

Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

EXHIBIT B

DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City of Lancaster
Attention: Chenin Dow
44933 N. Fern Avenue
Lancaster, CA 93534

APNs: 3153-067-007, 3153-067-008, 3153-067-009,
3153-015-045, 3153-015-046, 3153-015-047,
3153-015-048, 3153-067-900, 3153-067-912,
3153-015-958, 3153-015-959, 3132-009-901,
3125-009-904

[Space above for recorder.]

DOCUMENTARY TRANSFER TAX \$(exempt;
no consideration; exempt from recording charges,
Government Code Section 27383)

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Lancaster Redevelopment Agency, a public entity, corporate and politic (“Grantor”), hereby grants to City of Lancaster, a municipal corporation and charter city, that certain real property located in the County of Los Angeles, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and covenants of record. IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2018.

**SUCCESSOR AGENCY TO THE LANCASTER
REDEVELOPMENT AGENCY**

By: _____
Name: Mark V. Bozigian
Title: Executive Director

ATTACHMENT NO. 1 TO GRANT DEED

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells,

tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

A non-exclusive easements for ingress and egress of motor vehicles and pedestrians to permit the free flow of vehicular and pedestrian ingress and egress to, from, over and across the Southerly 12.00 feet and the Westerly 15 feet of Parcel 9 and the Westerly 15 feet of Parcel 10 of amended Parcel

Map No. 24368, in the City of Lancaster, as per map filed in Book 273, Pages 65 to 10 inclusive of parcel maps, in the office of the County Recorder of said county.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Also, except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

The South half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-958

Parcel 9

The North half of Parcel 5 of Parcel Map No. 24368, in the county of Los Angeles, state of California, as per map recorded in Book 273, Pages 65-70 of maps, in the office of the county recorder of said county.

APN: 3153-015-959

Parcel 10

0.48 MORE OR LESS AC BEING EX OF ST LOT COM E 191.625 FT FROM NE COR OF TRACT

NO 17256 TH E 161.625 FT TH S 0°02'27" E 150 FT TH W 161.625 FT TH N 0°02'27" W

TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

Parcel 11

All of that parcel of land being the Southwest quarter of the Northeast quarter of Section 28, Township 7 North, Range 12 West, San Bernardino Base and Meridian, in the City of Lancaster, County of Los Angeles, State of California, according to the official plat of said land, except therefrom that portion lying easterly of the land described as Parcels, 1, 2 and 3 in the Deed to the State of California recorded June 27, 1968 as Instrument No. 417, Official Records of said County, said parcel of land also being described in the Certificate of Compliance recorded September 1, 1988 as Instrument No. 88-1395036, Official Records of said County.

EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

BEGINNING at a point on the West line of said Northeast quarter of Section 28 distant North 0°24'01" West 547.17 from the Southwest corner thereof; thence,

1st - South 89°38'50" East 767.88 feet to the East line of said land, being also the West line of said Parcel 1 in the Deed to the State of California.

Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

CERTIFICATE OF ACCEPTANCE

This is to certify that the fee interest in real property conveyed under the foregoing deed by Successor Agency to the Lancaster Redevelopment Agency, as to the following property:

Real property in the City of Lancaster, County of Los Angeles, State of California, described as follows:

Parcel 1

Parcel 4 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APNs: 3153-067-007, 3153-067-008

Parcel 2

Parcel 5 of Parcel Map No. 24886, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 282, Pages 27 to 28 of maps, in the office of the County Recorder of said county.

Except therefrom the oil and mineral rights, per deeds registered June 17, 1947 as Instrument No. 14010-P and registered August 28, 1947 as Instrument No. 20023-P both in Torrens Certificates.

Also except the oil and mineral rights per deed recorded July 22, 1974 as Instrument No. 917, Official Records.

APN: 3153-067-009

Parcel 3

Lot 3, of Tract No. 51796, in the City of Lancaster, County of Los Angeles, State of California, as per map recorded in Book 1205, Pages 16 to 21, inclusive of Maps, in the office of the County Recorder of said County.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land

including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-045

Parcel 4

Parcel 7 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

Also except from those portions of said land lying within the Northeast quarter and the South half of Section 17, Township 7 North, Range 12 West, all oil, oil rights, mineral rights, natural gas rights and other hydrocarbons by whatsoever name, together with all geothermal steam and steam power that may be within or under said land together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land, or any other land including the rights to whipstock or directionally drill and mine from other lands, oil or gas wells, tunnels and shafts into, through or across such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, together with the right to drill, mine, store, explore and operate through or on and utilize, all or any portion of the surface and subsurface of said land, as granted by deed recorded July 22, 1974 as Instrument No. 917, in Book D-6352., Page 718, Official Records, said right to drill, mine, store, explore and operate through or on and utilize all or any portion of the surface or the upper 500 feet of the subsurface of said land was quitclaimed by deed recorded July 18, 1979 as Instrument No. 79-785306.

APN: 3153-015-046

Parcel 5

Parcel 8 of Amended Parcel Map No. 24368, in the City of Lancaster, County of Los Angeles, State of California, as per map filed in Book 273 Pages 65 to 70, inclusive of Parcel Maps, in the office of the County Recorder of said County.

A non-exclusive easements for ingress and egress of motor vehicles and pedestrians to permit the free flow of vehicular and pedestrian ingress and egress to, from, over and across the Southerly 12.00 feet and the Westerly 15 feet of Parcel 9 and the Westerly 15 feet of Parcel 10 of amended Parcel

Map No. 24368, in the City of Lancaster, as per map filed in Book 273, Pages 65 to 10 inclusive of parcel maps, in the office of the County Recorder of said county.

Except therefrom that portion described in a deed to Los Angeles County Waterworks District No. 40, Antelope Valley, recorded June 12, 1997 as Instrument No. 97-877282.

Also, except from those portions of said land lying within the Northwest quarter of Section 17, Township 7 North, Range 12 West, all oil, gas, minerals and other hydrocarbon substances in and under said land, as reserved in deed registered on June 17, 1947 Document No. 14010-P of Torrens Certificates.

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APNs: 3153-015-047, 3153-015-048

Parcel 6

Parcel 1 of Parcel Map No. 24886, in the county of Los Angeles, state of California, as per map recorded in Book 282, Pages 27-28 of maps, in the office of the county recorder of said county.

APN: 3153-067-900

Parcel 7

Parcel 3 of Parcel Map No. 26408, in the county of Los Angeles, state of California, as per map recorded in Book 321, Pages 9-10 of maps, in the office of the county recorder of said county.

APN: 3153-067-912

Parcel 8

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APN: 3153-015-958

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APN: 3153-015-959

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TO BEG PART OF N 1/2 OF NE 1/4 OF SEC 22 T 7N R 12W

APN: 3132-009-901

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All of that parcel of land being the Southwest quarter of the Northeast quarter of Section 28, Township 7 North, Range 12 West, San Bernardino Base and Meridian, in the City of Lancaster, County of Los Angeles, State of California, according to the official plat of said land, except therefrom that portion lying easterly of the land described as Parcels, 1, 2 and 3 in the Deed to the State of California recorded June 27, 1968 as Instrument No. 417, Official Records of said County, said parcel of land also being described in the Certificate of Compliance recorded September 1, 1988 as Instrument No. 88-1395036, Official Records of said County.

EXCEPTING THEREFROM, that portion of land lying southerly of the following described line;

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Containing 11.431 acres, more or less.

APN: 3125-009-904

APNs: 3153-067-007, 3153-067-008, 3153-067-009, 3153-015-045, 3153-015-046, 3153-015-047, 3153-015-048, 3153-067-900, 3153-067-912, 3153-015-958, 3153-015-959, 3132-009-901, 3125-009-904

is hereby accepted by the City Manager of the City of Lancaster, a municipal corporation and charter city (the "City") on behalf of the City Council of City pursuant to authority conferred by action of the City Council, and the Grantee consents to recordation thereof by its duly authorized officer.

CITY OF LANCASTER,
a municipal corporation and charter city

Dated: _____, 2018

By: _____
Mark V. Bozigian
Its: City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

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 the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

Title(s)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
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- Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

EXHIBIT C

FIRPTA CERTIFICATE

TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS

To inform City of Lancaster ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code") will not be required upon the transfer of certain real property to the Transferee by the Successor Agency to the Lancaster Redevelopment Agency (the, "Transferor"), the undersigned hereby certifies the following:

1. The Transferor is not a foreign person or citizen, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. The Transferor's social security number or U.S. employer identification number is as follows: _____.

3. The Transferor's home or office address is:

44933 N. Fern Avenue
Lancaster, California 93534

The Transferor understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment or both. Under penalty of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document.

**SUCCESSOR AGENCY TO THE LANCASTER
REDEVELOPMENT AGENCY**

STAFF REPORT
City of Lancaster

CC 5
06/12/18
MVB

Date: June 12, 2018

To: Mayor Parris and City Council Members

From: Jeff Hogan, Development Services Director

Subject: **Multi-Year Professional Services Agreement (Service Group Category 1 - Roadway and Structures Engineering) - Design and Environmental Services for PWCP 17-015 – Avenue I Improvements from Price Lane to 35th Street East, HSIPL-5419(048)**

Recommendation:

Approve Task Order No. 25 with Stantec Consulting Services, Inc., of Lancaster, California, in accordance with the 2016-2018 Multi-Year Professional Services Agreement in the amount of \$167,770.00, with a 10% contingency; and authorize the City Manager, or his designee, to sign all documents.

Fiscal Impact:

\$184,547.00 (including 10% contingency); sufficient funds are available in Capital Improvements Budget Account No. 210-15ST054-924.

Background:

With six pedestrian fatalities in the past 10 years, the Avenue I corridor between Challenger Way and 35th Street East has one of the highest fatal pedestrian crash concentrations in the City. With three of these fatalities occurring in the segment from Price Lane to 35th Street East, this alone is enough to make this project one of our top safety priorities.

The need for pedestrian and bicycle improvements along this corridor was also identified by constituents in the development of the City's Master Plan of Trails and Bikeways. Avenue I is an Antelope Valley Transit Authority bus route that creates pedestrian demands along the corridor, and there are multiple bus stops in areas with undeveloped shoulders and no sidewalks. School children use this corridor, and must cross it to get to and from Cole Middle School and Tierra Bonita Elementary School.

Proposed improvements on Avenue I will include installation of pedestrian and bicycle improvements, including sidewalks, curb extensions, ADA compliant curb ramps, enhanced crosswalks, signal modifications and buffered bike lanes.

This project is funded in part with Highway Safety Improvements Program (HSIP) grant funds, including \$1,366,400.00 for Construction Engineering and Construction.

Design responsibilities, under this Task Order, include mapping and surveying; geometric layout, Civil Engineering, and Traffic Engineering; and preparation of plans, specifications and estimate (PS&E) package for construction. The firm shall also assist the City in processing approvals through Caltrans including, but not limited to, obtaining environmental clearance, right-of-way (ROW) certification, and construction authorization.

Project will comply with the City's 2014 ADA Transition Plan, and will include design of 9 new curb ramps, 34,751 square feet of new meandering sidewalk, and 11,590 square feet of standard linear sidewalk at an estimated cost of \$36,000.00, \$347,510.00 and \$115,900.00, respectively.

City staff selected Stantec Consulting Services, Inc., from the 2016-2018 Multi-Year Professional Services Agreement Pre-Qualified List under Service Group Category (SGC) 1 – Roadway and Structures Engineering.

ML:mm

Attachment:
Task Order No. 25

TASK ORDER NO. 25
UNDER

AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES
SERVICE GROUP CATEGORY 1 – ROADWAY AND STRUCTURES ENGINEERING
DATED SEPTEMBER 29, 2016

BETWEEN

THE CITY OF LANCASTER, "OWNER"
AND
STANTEC CONSULTING LTD., "CONSULTANT"

PROJECT TITLE: PWCP 17-015 – AVENUE I IMPROVEMENTS FROM PRICE LANE TO 35TH STREET EAST, HSIPL-5419(048)

DESCRIPTION OF SERVICES: ENGINEERING DESIGN (PLANS, SPECIFICATIONS AND ESTIMATES, PS&E) AND ENVIRONMENTAL SERVICES

ACCOUNT NUMBER: CP15ST054210

SCOPE OF WORK: Per Attached Exhibit "1", Scope of Services

PERIOD OF SERVICES: Per Attached Exhibit "2", To Be Completed by August 13, 2018; Not to Exceed Eighty (80) Calendar Days From Commencement Without Prior Written Authorization from "OWNER".

COMPENSATION FOR SERVICES: Per Attached Exhibit "3", Per Fee Schedule - Not to Exceed \$167,770.00

PROJECT MANAGER: Michael C. Livingston

"OWNER"

"CONSULTANT"

CITY OF LANCASTER

STANTEC CONSULTING SERVICES,
INC.

By _____
Jeff Hogan
Development Services Director

By _____
Derek Rapp
Principal

Date _____

Date _____

EXHIBIT 1: SCOPE OF SERVICES

PROJECT DESCRIPTION AND LOCATION

The project is located on Avenue I, from Price Lane to 35th Street East, and the proposed street improvements generally include sidewalks, buffered bicycle lanes, ADA curb ramps, street lighting, and enhanced signing and striping.

PROJECT PERSONNEL

The consultant shall adequately staff the project to deliver a high quality project on time and within budget.

The Consultant shall establish a single individual as PM/PE, who shall stay with this project from beginning to completion. The consultant shall obtain prior written approval of the City prior to replacement of PM/PE for any reason.

The PM/PE shall be a registered Professional Civil Engineer licensed by the State of California with minimum of ten years of experience in similar projects after obtaining registration.

SCOPE OF SERVICES

SB 854

SB 854 bill signed into law on June 20, 2014, established a new public works contractor registration program to replace prior Compliance Monitoring Unit (CMU) and Labor Compliance Program (LCP) requirements for bond-funded and other specified public works projects. The Department of Industrial Relations (DIR) requires all contractors and subcontractors who bid or perform work on a public works project (as defined under the Labor Code) be subject to a registration and annual renewal fee. Contractors must apply online and meet minimum qualifications to be registered as eligible to bid and work on public works projects. The requirement to list only registered contractors and subcontractors on bids becomes effective on March 1, 2015. The requirement to only use registered contractors and subcontractors on public works projects applies to all projects awarded on or after April 1, 2015. **This project shall comply with the requirement of SB 854.**

Even though survey and geotechnical services typically are viewed as consultants and generally do not necessarily fit the term "contractor," compliance with section SB 854 will be required by the Department of Industrial Relations ("DIR"). Essentially, if the services provided by a survey or geotechnical services firm would be considered to be covered under the applicable *California*

Labor Code sections, then they should register. It should be noted that only the firm needs to register and not individual licensed design professional(s).

The Consultant shall perform, coordinate and manage the completion of tasks described in this scope of services and monitor costs and completion schedule. The tasks, described herein, are not intended to be comprehensive nor exclusive; they are merely set forth as a general outline of the work that is expected.

TASK 1 PROJECT ADMINISTRATION AND MANAGEMENT

The Consultant shall schedule meetings (in person, web, or conference call) with the City and design team to provide feedback during the project; maintain schedule; provide a single Project Manager (PM) to coordinate with Capital Program PM, other City Departments/Divisions, each task lead/designer, utilities, etc. to deliver a complete consolidated plan set and specification sections that are consistent and do not conflict between improvements; and implement QA/QC measures.

1.1 Work Plan

The Consultant shall prepare a Work Plan that includes a list of deliverables, milestone submittal schedule, summary of organization responsibilities and contacts, specific scope of work, task budgets, reporting and invoicing procedures, quality assurance plan, and project filing system. The Work Plan shall be submitted to the City prior to the first invoice.

1.2 Meetings

- KICK-OFF MEETING
Kick-off meeting shall be held with the successful firm shortly after the issuance of the Notice to Proceed, at the City of Lancaster Maintenance Facility, 615 West Avenue H, Lancaster, California 93534. The City Project Manager shall provide information, answer any questions and confirm a workable project schedule. This meeting shall serve to establish project requirements and to document input in developing the final design and the construction documents. The meeting shall also be used to clarify the lines of communication and other administrative details.

- PROGRESS MEETINGS
For the basis of this Request for Qualifications/Request for Proposal, the Consultant shall assume there to be monthly progress meetings (or a conference call if appropriate) with City staff to review progress and obtain direction. The Consultant

shall maintain a list of action items with projected completion dates and shall use this as a basis for monthly updates. The Consultant shall send current action item list via email to the CITY staff no later than three (3) working days following each progress meeting.

○ ADDITIONAL MEETINGS

The Consultant shall organize additional meetings, as required, to complete the project. Additional meetings include, but are not necessarily limited to, meeting with other agencies such as Caltrans, resource agencies, and utility companies.

1.3 Project Management

Consultant shall maintain the project schedule and provide *weekly* project status reports throughout the duration of the project. The weekly reports are critical to forecast resource needs and ensure the appropriate staff and support services are available, when needed, to deliver the project on schedule and within budget. Consultant shall notify the Project Manager of any scope, schedule or budget issues that may arise. The Consultant shall prepare and maintain a critical path schedule for the project.

The Consultant shall establish and apply internal accounting methods and procedures acceptable to the City and Caltrans for documenting and monitoring contract costs. The Consultant shall submit a consolidated monthly invoice in a format acceptable to the City and broken down in a manner consistent with the Work Plan (see Section 1.1). The Consultant shall include with the monthly invoice a progress report that reflects the work completed within the invoice period. Payments to the Consultant are to be in arrears. In other words, the Consultant must have actually incurred and paid the costs before invoicing the City.

The Consultant shall provide all applicable documentation, mapping, plans, forms and specifications to the City that facilitate successful submittal and approval of the Caltrans Request for Authorization for construction.

1.4 Quality Assurance & Quality Control

Consultant must provide quality assurance and control of survey, design plans, specifications, and estimates prior to each submittal. This task is required to verify that no unsafe design changes have been made or proposed, geometric layout has not been critically altered, improvement goals are being met, economy of project is

maintained, plans are consistent across improvements, there are no conflicts between trades, and construction integrity of the design is ensured.

TASK 2 ENGINEERING DESIGN

The final design shall include all the tasks necessary for a construction-ready project, including design surveys; preparation of plans, specifications and estimates; right-of-way engineering; utility coordination and all permitting.

The Consultant shall submit plans and cost estimates at 30% & 90% design stages for City review. Upon the City review of the 30%, 60%, and 90% Plans and Cost Estimates, the consultant shall submit corrected Plans and Cost Estimates within 10 days of the City review

The Consultant shall submit an adequate number of sets of half-size plans (11"x17") of the design drawings with each submittal for review by affected agencies and utilities and two sets of full-size plans, two sets of half-size plans and a disk with plans in PDF format of the design drawings with each submittal for checking by the City, along with the previous check prints. The design drawings should be as complete, accurate, and error-free as possible before plan checking is considered to reduce the number of plan checks required and related costs to the City, and Consultant. Likewise, for Reports, Special Provisions, Cost Estimates, etc., the Consultant shall submit an adequate number of sets to the City and all affected agencies for review. In addition to hard copies, the Consultant shall submit a DVD with an electronic copy (in PDF format) of all submittals.

The Consultant shall, at no additional cost to the City, correct errors, omissions, and unworkable and/or improper design/drafting on the original drawings that are covered subsequent to the completion of the plan checking process.

The Consultant shall directly submit Plans to the utilities for review of conflicts (minimum of three utility notifications).

The City shall receive a copy of all transmittals, submittals, and letters sent to utilities and agencies regarding the Project.

Reports, Plans, Specifications, and Estimate shall be in English units and must conform to Caltrans, Federal, City, and County standards, regulations, policies, procedures, manuals, and practices. The Consultant shall provide clear, concise, and complete Plans. The Consultant shall include other details that are of benefit to and/or requested by the City, such as details of private improvements to be constructed, reconstructed, or relocated, consisting of driveways, fences, etc.

All drawings shall be prepared in AutoCAD per City Standards and are to be considered the property of the City. All drawings shall be submitted to the City in the native .DWG format without any compression. Other archive formats including .ZIP or .EXE shall not be accepted.

Cross sections are considered necessary to properly and accurately design the improvements and to accurately establish the earthwork volumes and extent of construction or reconstruction beyond the ROW lines onto private property where, and if, necessary. Cross sections shall be prepared at a scale and frequency approved by the City.

TASK 3 PLANS, SPECIFICATIONS AND ESTIMATES

3.1 Environmental

Consultant shall prepare all documentation needed for both NEPA and CEQA Clearances for this project. Items of Work prepared shall be:

- Field Review and Coordination of the Field Meeting with Caltrans and the City
- Preparation of the Preliminary Environmental Study
- Preparation of the Area of Potential Impacts (APE) Map.

3.2 Design Surveys

The Consultant shall perform design surveys to conform to the Caltrans Surveys Manual. Cross sections shall be prepared at a scale and frequency approved by the City.

Should the scale and frequency specified above conflict, the scale and frequency approved by the City shall prevail.

Consultant shall conduct the design surveying necessary for the final engineering work. Topographic base map will be produced by ground survey methods. The base maps shall identify all existing street improvements, drainage structures, fire hydrants, utility facilities, landscaping, signs, street lights, and other appurtenant improvements in the project area.

Consultant's survey crew shall conduct site visits to gather data and details needed to design the project. For roadway, typical cross sections shall be a 50' intervals, and shall include, but not be limited to: top of curb, flow-line, edge of gutter, edge of pavement, lane lines, centerline, curb and medians, angle points and curb returns. The latitudinal limits of the survey will be within the street right-of-way, while the latitudinal limits will extend 250' past the intersection unless otherwise specified.

All elevations shall be referenced to the closest found City and County benchmark. Flow line elevations along the gutter will be included to determine the limits of removal for curb and gutter.

Design cross sections shall be plotted using a 1:4 vertical and a 1:40 horizontal scale at 50' intervals to depict proposed and existing elevations and cross slope.

3.3 Right-of-Way

The Consultant shall prepare all exhibits required by Caltrans to successfully achieve right-of-way clearance per the Caltrans Local Assistance Procedures Manual. This includes all mapping and most current Caltrans required paperwork for submittal.

3.4 Utility Search

The Consultant shall positively locate all utilities in accordance with underground utilities to determine the depth for clearance and connection points or conflicts for any underground improvements, such as gas lines, sewer lines, storm drains, or water lines. The Consultant shall submit to each utility company a preliminary set of plans that provide the location, elevation of the utility, and the elevation of the improvement, with the conflict area clouded to show the utility companies the areas of conflict with the proposed improvement. Potholing information and plans shall be submitted to the City after completion of this task. If an area of possible conflict was not

potholed, the Consultant shall pothole the area to verify the conflicts at no additional cost to the City. The Consultant shall depict existing utilities on base mapping and develop plans for any necessary utility relocation. Refer to Appendix F for SOUTHERN CALIFORNIA GAS COMPANY POTHOLING POLICY.

A base map at a 1" = 40' shall be prepared to present existing topography, property ownership/land use, and utilities. The base map will be used for the preliminary and final engineering.

Consultant shall also conduct a utility search of the existing utilities in the project area. The following is a list of the representative utility companies which will be contacted.

- Southern California Edison
- Southern California Gas
- AT&T
- Frontier
- Spectrum
- City of Lancaster Sewer
- LACO Water District
- Lancaster School District

3.5 Geotechnical

The geotechnical investigation will include field investigation and exploration work to obtain representative soil samples and pavement corings for use in performing soil testing and report preparation for the geotechnical analysis of the subsurface material relating to all project excavations and subgrade preparation. In preparation for the filed exploration, Consultant will notify Underground Service Alert (USA) at least 48-hours prior to commencing the field work to locate known underground utilities or services where drilling geotechnical borings. The following is an outline of the work:

- Coordination with the supervising civil engineer and City of Lancaster staff regarding the scope and schedule of Consultant's work and select location for pavement core.
- Coordination with the coring contractor and traffic control personnel prior to the start of work
- A no fee permit shall be obtained from the City of Lancaster prior to the start of geotechnical work.
- Coordination and Clearance with underground service alert prior to the proposed coring and auguring in order to locate potentially affected utilities.
- Completion of cores through the existing asphalt concrete (AC) and/or Portland cement concrete (PCC) pavements at four locations along Avenue I along the alignment of the proposed new right hand turn lane. Removal of any base course beneath the pavement shall be performed using manual labor.
- Observations and documentation of subsurface materials exposed along the alignment will be performed by our field personnel at each core location. Subgrade soil samples will be collected at each location for lab testing. Collection of soils may require the use of a hand auger in order to obtain a sufficient amount of soil to perform the testing.
- Base material and pavement cores shall be immediately replaced/repared following observation to minimize mobilization costs for the coring contractor and traffic management. Hot mix asphalt or Caltrans Set 45 shall be used for pavement repair.
- Traffic Management Services shall be provided during the coring in accordance with the latest California MUTCD.

- Perform R-value and soil classification testing on soil samples at each location.
- Prepare a report providing pavement design recommendations based on R-Value test results.

3.6 General Plans

Consultant shall prepare 30%, 60%, 90% and 100% Plans, in accordance with City submittal and plan preparation requirements. The primary goal of the Preliminary Plans is to design the project to minimize the right-of-way and utility relocation needs for the project. The Plans, at a minimum shall include title sheet; layouts; right-of-way and parcel lines; typical cross sections; key map, line index and profiles; existing and proposed contours, summary of quantities; conceptual drainage plans, profiles, details, and quantities; preliminary utility relocation ; retaining walls; and pavement delineation (striping).

The Consultant shall submit stamped and signed mylars and estimates amended to address any minor City comments.

Work for this task includes the preparation and processing of the engineering plans for the proposed improvements and reconstruction. The plans will be prepared in accordance with the City of Lancaster and Caltrans requirements. The plans will be processed for approval with the submittal of 30% (Preliminary Design), 60%, and 90% reviews. This will allow for City and Caltrans input in the design and review of the plans. The improvement plans will include the following;

3.6.1 Street Improvement Plans

Consultant shall provide and process the street/intersection improvement plans for the project. The plans will include the reconstruction of the ADA ramps at all four corners, and the construction of the west to north right turn lane at the northeast corner which will include the removal and replacement of the existing curb and gutter and sidewalk. In addition, the plans will include the removal and reconstruction of the existing driveway approach which is located within the proposed right turn lane. Special attention shall be given to the replacement of the brick pavers in the onsite driveway approach.

3.6.2 Signing and Striping Plans

Consultant shall prepare and process the striping and signing plans for the project. The plans shall be prepared in accordance with the Caltrans, City of Lancaster and Current MUTCD requirements.

3.6.3 Traffic Control Plans

Consultant shall prepare and process the traffic control and traffic staging plans for the project. The plans shall be prepared in accordance with the Caltrans, City of Lancaster and Current MUTCD requirements

3.6.4 Erosion Control Plans

Consultant shall prepare and process the erosion control plans for the project. The plans shall be prepared in accordance with the Caltrans and City of Lancaster requirements.

3.7 Cost Estimates

Consultant shall prepare 30% and Final Cost Estimates of the Plans and shall be completed in accordance with City submittal and plan preparation requirements.

Work under this task includes the preparation of final cost estimates and special provisions for the project. A Bidding Schedule, Special Provisions, and Bid Documents will be prepared according to the city's specification requirements. Work in this task includes the preparation of the Bid Documents, which include;

3.7.1 Prepare Bid Documents, including General and Special Provisions

The Consultant shall prepare Bid Documents, including the General and Special Provisions in accordance with the Federal Guidelines.

3.7.2 Prepare a Bid Summary and Engineer's Estimate

The Consultant shall prepare a Bid Summary and Engineer's Estimate.

3.7.3 Attend Meetings with City PM and Local Utilities

The Consultant shall attend meetings with the City PM and Local Utility companies to discuss project activities, review progress, schedule, and budget.

TASK 4 DELIVERABLES

The Consultant shall submit to the City the following deliverables in both electronic format (PDF) and hard copies (the list below is not intended to be a complete list):

- Project Work Plan
- Caltrans Local Assistance Required Forms
- Quality Control and Quality Assurance Documents
- Correspondence with Utility Companies
- Utility Plans for Caltrans Right of Submittals
- Plans and Estimates 30%, 60%, 90% and Final

EXHIBIT 2

Page 2 of 5

Reference: PWCP 17-015 – Avenue Improvements from Price Lane to 35th Street East

Project Understanding/Approach

The City of Lancaster has received an HSIP funding for improvements on Avenue I from Price Lane to 35th Street East as detailed in HSIPL-5419(048). This project will install pedestrian and bicycle improvements including sidewalks, ADA curb ramps, enhanced crosswalks, signal modification and buffered bike lanes.

Proposed Schedule

Task	Date
Notice to Proceed	05/23/18
Preliminary Layout	3 weeks from NTP
90% Plans	8 weeks from NTP
100% Plans	11 weeks from NTP

Stantec will meet the requirements of Exhibit A "Scope of Services", amended as follows:

Task 1 – Project Management and Coordination

Stantec will perform all work as listed in Task 1 of the Task Order.

Task 2 – Engineering Design

Stantec will perform all work as listed in Task 2 of the Task Order and amended as follows:

Due to time constraints, there is not adequate time for full 30% ,60% and 90% submittals and reviews. Stantec will submit a Preliminary Layout plan showing all proposed horizontal improvements and a 90% Plan and Cost estimate for review by the City.

Utility letter A will be sent within 1 week of Notice to Proceed, Utility Letter B will be submitted with one week of 90% plan completion and Utility Letter C will be submitted with 1 week of 100% plan completion.

Cross Sections will be provided at approximately 100' intervals through the length of the project.

Task 3 – P,S&E

Stantec will perform all work as listed in Task 3 of the Task Order and amended as follows:

3.1 Environmental CEQA/NEPA exemption is assumed. Stantec will provide all supporting mapping and information required on the Caltrans PES and the Field Review Forms.

3.3 ROW acquisition is needed for sixteen (16) parcels within the project area.

3.4 Potholing: Bess Testlab will Perform up to fifteen (15) utility potholes within the project limits.

Design with community in mind

Reference: PWCP 17-015 – Avenue Improvements from Price Lane to 35th Street East

3.5 Geotechnical: Earth Systems will complete up to ten (10) pavement cores, all of which will be R-value tested and prepare a written report containing preliminary recommendations for the pavement section design.

3.6 General Plans – Stantec will prepare and submit Preliminary Layout, 90% and 100% Plans.

- 3.6.3 Traffic Control Plans – Stantec will only prepare TCP plans for work located at the two signalized intersections within the project limits.

Task 4 – Deliverables

Stantec will perform all work as listed in Task 4 of the Task Order and amended as follows:

Stantec will prepare and submit Preliminary Layout Plans, 90% and 100% Plans and Estimates.

	Sheets
Title, Notes, Survey	3
Demo	3
Civil	6
Street Light 5 sheet max	8
Sign and Striping	4
TCP	4
TS Mod (at 30th)	1
TOTAL	29

Exclusions and Assumptions

1. Public Agency Fees (e.g. County of Los Angeles, DSA, etc.) shall be the responsibility of the City.
2. Trees or other obstructions within the City right-of-way will be removed/relocated in lieu of acquiring additional right-of-way.
3. Right-of-way appraisals and negotiations are excluded.
4. Landscaping is not included.
5. Existing asphalt road will remain in place and/or receive a surface treatment (Cold Plane or similar), and the existing crown will be maintained.
6. Pedestrian and bicycle facility improvements will be as detailed in the HSIP application. No additional improvements, including bulb-outs or curb extensions will be required.
7. Stantec will identify and note utility relocation needs, but all utility relocations will be coordinated during construction.
8. City to provide all Preliminary Title reports in support of ROW acquisition documents.
9. LS-3 Street lighting will be designed, and the coordination with SCE will be continuing into construction.
10. Construction Support not included.
11. The City will provide comments on Preliminary Layout and 90% Plan submittals within 1 week in order to maintain the proposed schedule.

Page 4 of 5

Reference: PWCP 17-015 – Avenue Improvements from Price Lane to 35th Street East

12. Intersection/Traffic Signal Modifications

- o @25th – none (new in last few years)
- o @30th – traffic signal pole relocation with longer mast arm needed at SE corner

EXHIBIT 3

Page 5 of 5

Reference: PWCP 17-015 – Avenue Improvements from Price Lane to 35th Street East

PROPOSED FEE AND METHOD OF PAYMENT

Our proposed services will be performed on a time and materials, not-to-exceed basis, and shall be billed monthly.

Based on our understanding of your requirements and our experience with similar projects, the estimated fee required for our services to be **\$167,770**.

PROJECT COST ESTIMATE

(WITH PREVAILING WAGES)

STANTEC
42225 10th Street West, Suite E
Lancaster, CA 93534
(661) 949-6676

Project No.: 206481003
Description: Avenue Improvements - Price Lane to 35th Street East
Client: City of Lancaster
Date: March 29, 2018
File Name: *

Prepared by: DBR
Office: 4

Billing Type: T&M Prevailing Wages (y/n) Y

TASK	Hours										TOTAL HOURS	LABOR COST	
	Engineer Principal	Engineer Assoc	Engineer Asst	Engineer Asst	Planner Senior	Survey Party	Survey Principal	Surveyor Assoc	Surveyor Principal	Surveyor Assoc			
1. Project Admin/Management	12	32										44	7744
2. Engineering Design					24							24	4152
3.1 Environmental Documentation			96			72	24					192	38856
3.2 Surveying and Base Map							16	80				96	15296
3.3 ROW Acquisition Documents (16 Parcels)					24 (see below for potholing)							24	3048
3.4 Utility Search													
3.5 Geotechnical													
3.6 PS&E Plans (45%, 90%, 100%)	40	80	240	80								440	64560
4. Deliverables	4	8	24	24				4				40	6064
TOTALS	56	120	336	128	24	72	44	80				860	139720

Classification	\$/hr	Expenses		Reimbursables		Consultant
		Cost	Billing Rate	Cost	Billing Rate	
Principal Engineer	216.00	15000	1.00			15000
Associate Engineer	161.00	12000	1.00			12000
Assistant Engineer I	137.00		1.10			0
Assistant Engineer	127.00		1.10			0
Senior Planner	173.00		1.10			0
Two-man Party	285.00					0
Principal Surveyor	216.00	500	1.00			500
Surveying Associate	148.00					0
Utility Maps						0
Telephone						0
Plots		500	1.10			550
Photographs						0
Average Rate	162.465					\$1,050.00
Grand Total =						\$167,770.00

Avenue I Improvements

Price Lane to 35th Street East

From Price Lane to 35th Street East:

1. upgrade any non-compliant ADA ramps and driveways (locations TBD)
2. Restriping for buffered bike lanes

Legend

~2,600' of roadway widening C&G, Straight Sidewalk, street lighting

~1,660' of road widening, meandering sidewalk, street lighting

Pedestrian crossing improvements at Cole M.S.- median refuge and RRFB

~870' of C&G, Sidewalk infill, street lighting

at 30th -Signal Modification

~1990' of road widening, meandering sidewalk, street lighting

~710' of C&G, Sidewalk infill, street lighting

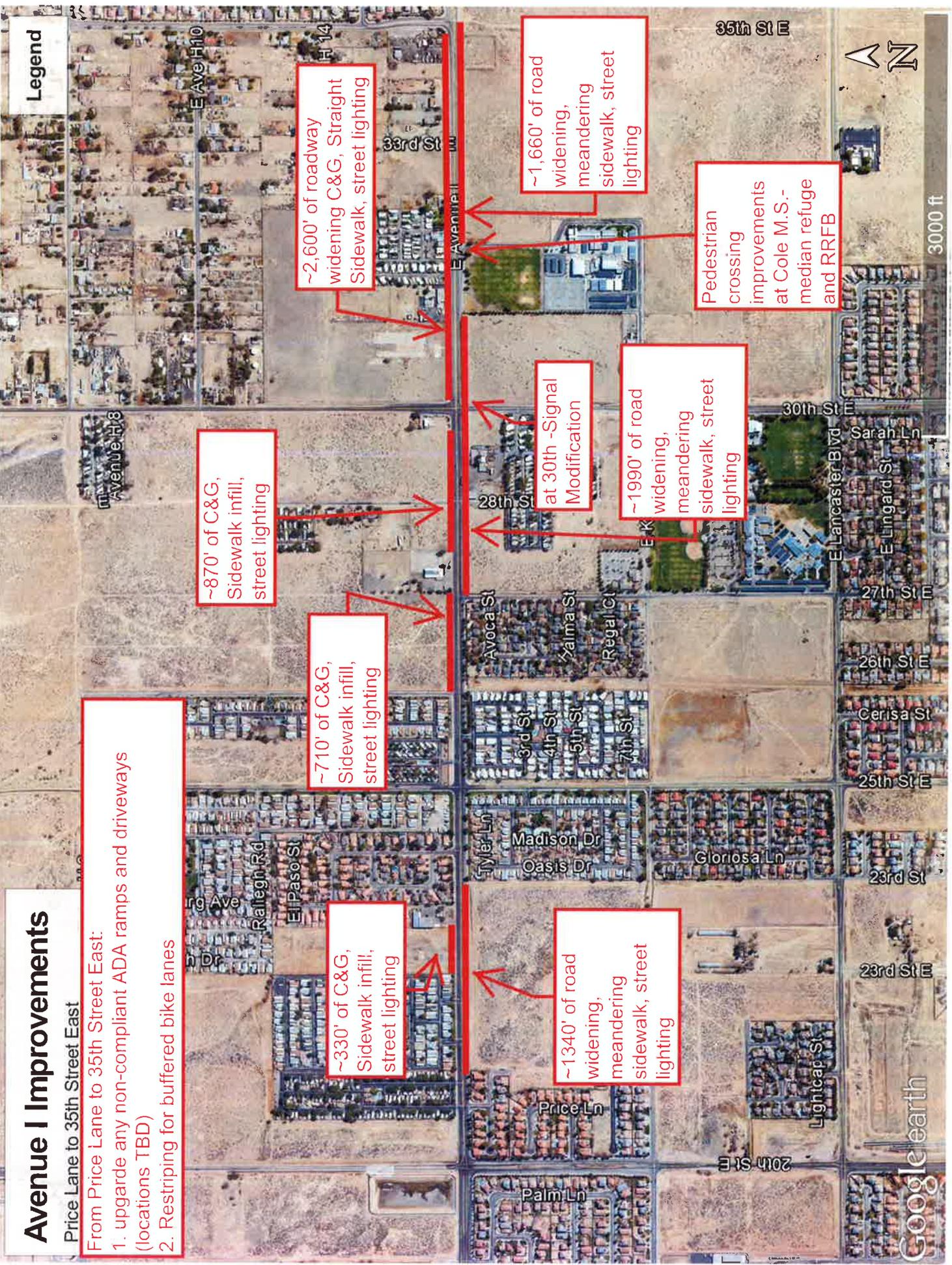
~330' of C&G, Sidewalk infill, street lighting

~1340' of road widening, meandering sidewalk, street lighting



3000 ft

Google earth



STAFF REPORT
City of Lancaster
California Choice Energy Authority

JPH 1
06/12/18
MVB

Date: June 12, 2018

To: Mayor Parris and City Council Members

From: Mark V. Bozigian, City Manager
Pamela Statsmann, Director of Finance

Subject: **Proposed Fiscal Year 2018-2019 Budgets and Five-Year Capital Improvement Program**

City Council and City Council acting as Lancaster Housing Authority, Lancaster Choice Energy and Lancaster Power Authority Recommendation:

Conduct the public hearing and direct staff to schedule for June 26, 2018:

- a. Adoption of the Proposed Fiscal Year 2018-2019 Budget and Five-Year Capital Improvement Plan; and
- b. Adjustments to the Citywide Fee Schedule

California Choice Energy Authority (CCEA) Board Recommendation:

Conduct the public hearing and direct City of Lancaster staff to schedule the CCEA Proposed Fiscal Year 2018-2019 Budget adoption for June 26, 2018.

Fiscal Impact:

The City of Lancaster Proposed Fiscal Year 2018-2019 Budget totals \$188.1 million, including \$43.4 million for the Capital Improvement Program (CIP). The CCEA Proposed Fiscal Year 2018-2019 Budget totals \$4.4 million.

Background:

City of Lancaster Budget

A budget document is a “roadmap” and budget preparation is the business-planning tool used to ensure proper reviews are made and allocations adjusted accordingly. The proposed budget is a culmination of many months of work by the City Council and staff in reviewing priorities and evaluating programs, with a focus on maintaining responsive and relevant service for residents. Through the development and refinement of the budget, attention is given to the state of the economy, trends, Council priorities and direction, community needs, operational service provisions, financial challenges, revenue projections, and other factors.

City Council’s priorities addressing Public Safety, Fiscal Sustainability, Homelessness, City Beautification, and Citywide Infrastructure Renovation and Modernization have been incorporated into the City’s Proposed FY 2018-2019 Budget. The Budget and Five-Year CIP is balanced and totals \$188.1 million. This includes funding appropriations for Capital Improvements, Capital Outlay, Operations & Maintenance, and Personnel.

Estimating revenues for the upcoming fiscal year and forecasting out-years is essential. By reviewing past years' actual revenue receipts, new revenue sources, fee-based program and service projections, grant opportunities, and the State's economic outlook, the City is able to best determine the revenues available for spending allocations. City estimated FY 2018-2019 revenues total \$195,323,706.

The City's largest unrestricted funding source is the General Fund, totaling \$72,587,576. General Fund resources include: Sales Tax, Property Tax, Fees, Grants, and others. Sales Tax is the top General Fund source, which is projected at \$21,701,730. The proposed General Fund appropriations total \$71,559,978, including funding for Personnel, Operations & Maintenance, and Capital Outlay.

The City of Lancaster desires to maintain a prudent level of financial resources to guard its residents against service disruption in the event of unexpected, temporary revenue shortfalls or unanticipated expenditures. Reserves accumulated during years when revenues exceeded expenditures cushion the City's transition to a lower revenue base and allow the City to adjust spending in response to economic downturns, emergencies, State revenue takeaways, and/or investment opportunities. The Proposed FY 2018-2019 Budget greatly recognizes and strengthens the City Council's priority of fiscal prudence and discipline with reserves totaling over 31%.

To continue transforming the City, we must continue focusing on the infrastructure in the City, through our Capital Improvement Program (CIP). We are persistent in our aggressive, proactive approach to allocating more capital improvement and equipment monies than ever before. The CIP for the Proposed FY 2018-2019 Budget totals \$43.4 million.

The Proposed FY 2018-2019 Budget is balanced, with healthy General Fund Reserves that will enable the City to continue providing the community with a full scope of high quality municipal services, programs and special events that enhance the quality of life of all Lancaster residents. It will also provide the required resources to construct significant capital improvement projects that will improve infrastructure and facilities and beautify the community.

Adjustments to Citywide Fee Schedule

From time to time, changes in fees for services are needed and new fees added to the schedule. The attached Proposed Adjustments to Citywide Fee Schedule details the recommended new and adjusted fees. A total of 21 fees (less than 1% of total citywide fees) are proposed to be adjusted or added to the schedule.

California Choice Energy Authority Budget

The California Choice Energy Authority is a Joint Powers Authority (JPA) comprised of member municipalities. Formed in 2012, the CCEA provides its members economies of scale to support the activities of each Community Choice Aggregate. CCEA initiatives remain in providing long-term sustainable energy and cost containment for member Community Choice Aggregates.

The CCEA Proposed FY 2018-2019 Budget is balanced and totals \$4.4 million. Year-end projections show setting aside Reserves totaling \$65,000. The CCEA Proposed Budget projects increasing Reserves to a total of \$165,000 by the end of FY 2018-2019.

The City's Proposed Fiscal Year 2018-2019 Budget and Five-Year Capital Improvement Plan and CCEA's Proposed Fiscal Year 2018-2019 Budget will be presented to the City Council and CCEA Board for final adoption on June 26, 2018.

MB:ps

Attachments:

City of Lancaster Proposed Fiscal Year 2018-2019 Budget – available on the City's website and on file in the City Clerk Department
Proposed Adjustments to Citywide Fee Schedule
CCEA Proposed Fiscal Year 2018-2019 Budget

Proposed Adjustments to Citywide Fee Schedule

<u>Section</u>	<u>Description</u>	<u>Current Amount</u>	<u>Proposed Amount</u>	
<u>Fee Adjustments:</u>				
S-096	ADULT SPORTS			
	Men's Basketball	\$ 502	\$ 475	Per Team
	Softball	\$ 466	\$ 430	Per Team
	Winter Softball	\$ 440	\$ 400	Per Team
BUILDING & SAFETY	MECHANICAL			
	A/C Residential	\$ 41	\$ -	Delete
	Residential A/C Split System - Furnace, Coil Condenser	\$ -	\$ 82	No Ducts
	Residential A/C Split System - Furnace, Coil Condenser	\$ -	\$ 165	With Ducts
	Residential A/C Split System - Furnace, Coil Condenser Only	\$ -	\$ 41	
	Package Unit - Separate From Heat Pump	\$ -	\$ 41	
	MISCELLANEOUS PERMIT FEES			
	Re-roof	\$ 159	\$ 166	Each additional 100 squares or portion thereof in excess of 10,000 square feet
<u>New Fees:</u>				
S-110	MUNICIPAL BASEBALL STADIUM			
	Stadium Film Production	\$ -	\$ 3,500	12 Hour Rental
	Skybox, Clubhouses and Press Box - Film Production	\$ -	\$ 250	
COMMUNITY DEVELOPMENT	PLANNING FEES			
	Lot Line Adjustment	\$ -	\$ 133	
BUILDING & SAFETY	ELECTRICAL			
	Electrical / Gas Release (No Permit)	\$ -	\$ 36	T&D Only
	Sub-Panel	\$ -	\$ 41	
	PLUMBING			
	Electrical / Gas Release (No Permit)	\$ -	\$ 36	T&D Only
	MISCELLANEOUS PERMIT FEES			
	Process Fee	\$ -	\$ 73	
	Battery Storage System - Residential	\$ -	\$ 166	
	Battery Storage System - Commercial	\$ -	\$ 166	Per Hour
	Out of the Ordinary Plan Review and Inspections	\$ -	\$ 166	Per Hour
	Monument Sign - Electric	\$ -	\$ 153	
	Property Damage Inspection	\$ -	\$ 109	Per Inspection



California Choice Energy Authority

Proposed Budget
Fiscal Year 2018-2019

Budget Detail - California Choice Energy Authority

RESOURCES			Actuals	Year End	Proposed
Div.	Obj.	Revenue Description	FY 2017	Estimates	Budget
				FY 2018	FY 2019
3100	001	SERVICE AGREEMENTS-SAN JACINTO		366,548	687,099
3100	002	SERVICE AGREEMENTS-PICO RIVERA	80,000	637,871	780,547
3100	004	SERVICE AGREEMENTS-RANCHO MIRAGE		282,370	868,283
3100	005	SERVICE AGREEMENT-PALMDALE		63,000	-
3100	006	SERVICE AGREEMENT-SANTA MONICA		63,000	-
3100	007	SERVICE AGREEMENT-BALDWIN PARK		-	63,000
3100	008	SERVICE AGREEMENT-HANFORD		-	63,000
3100	009	SERVICE AGREEMENT-POMONA		-	63,000
3100	010	SERVICE AGREEMENT-COMMERCE		-	63,000
3100	011	SERVICE AGREEMENT-SANTA PAULA		-	63,000
3100	012	SERVICE AGREEMENT-EL MONTE		-	63,000
Revenue Total			\$ 80,000	\$ 1,412,789	\$ 2,713,929
Transfers-In Description					
3990	491	TRANSFERS-IN FROM LCE		2,230,961	1,730,266
Transfers-In Total			\$ -	\$ 2,230,961	\$ 1,730,266
Total Resources			\$ 80,000	\$ 3,643,750	\$ 4,444,195

EXPENDITURES			Actuals	Year End	Proposed
Div.	Obj.	Operations & Maintenance Description	FY 2017	Estimates	Budget
				FY 2018	FY 2019
4370	202	LOCAL AND REGIONAL EVENTS		5,000	10,000
4370	205	PROMOTION AND ADVERTISING (MKTG)		69,378	105,000
4370	206	PUBLICATIONS & DUES		44,519	83,500
4370	259	OFFICE SUPPLIES		1,000	1,000
4370	260	INSURANCE EXPENSE		17,722	20,100
4370	301	PROFESSIONAL SERVICES		96	1,500
4370	303	LEGAL SERVICES		130,000	60,000
4370	001D	SAN JACINTO-DATA MGMT		63,000	200,685
4370	0001I	SAN JACINTO-IMPLEMENTATION	11,993	71,250	-
4370	001P	SAN JACINTO-PROF SERVICES		71,887	291,000
4370	002D	PICO RIVERA-DATA MGMT		202,691	244,470
4370	0002I	PICO RIVERA-IMPLEMENTATION	40,283	40,000	-
4370	002P	PICO RIVERA-PROF SERVICES		237,608	291,000
4370	003D	LANCASTER-DATA MGMT		841,961	826,485
4370	003P	LANCASTER-PROF SERVICES		253,211	256,000
4370	004D	RANCHO MIRAGE-DATA MGMT		36,843	221,055
4370	0004I	RANCHO MIRAGE-IMPLEMENTATION		73,837	-
4370	004P	RANCHO MIRAGE-PROF SERVICES		48,500	291,000
4370	004T	RANCHO MIRAGE-TECHNICAL STUDY		44,508	-
4370	005T	PALMDALE-TECHNICAL STUDY		39,320	-

EXPENDITURES			Actuals	Year End	Proposed
			FY 2017	Estimates	Budget
				FY 2018	FY 2019
Div.	Obj.	Operations & Maintenance Description			
4370	006T	SANTA MONICA-TECHNICAL STUDY		38,040	-
4370	007T	BALDWIN PARK-TECHNICAL STUDY		-	37,500
4370	008T	HANFORD-TECHNICAL STUDY		-	37,500
4370	009T	POMONA-TECHNICAL STUDY		-	37,500
4370	010T	COMMERCE-TECHNICAL STUDY		-	37,500
4370	011T	SANTA PAULA-TECHNICAL STUDY		-	37,500
4370	012T	EL MONTE-TECHNICAL STUDY		-	37,500
Operations & Maintenance Total			\$ 52,276	\$ 2,330,370	\$ 3,127,795
Transfers-Out Description					
4999	490	TRANSFERS-OUT TO LCE FUND 490	-	1,244,500	1,244,500
Transfers-Out Total			\$ -	\$ 1,244,500	\$ 1,244,500
GRAND TOTAL EXPENDITURES			\$ 52,276	\$ 3,574,870	\$ 4,372,295
Funding Sources					
491		CALIFORNIA CHOICE ENERGY AUTHORITY	52,276	3,574,870	4,372,295
GRAND TOTAL			\$ 52,276	\$ 3,574,870	\$ 4,372,295

Statement of Net Position		Actuals	Year End	Proposed
		FY 2017	Estimates	Budget
			FY 2018	FY 2019
RESULTS OF OPERATIONS:				
	TOTAL RESOURCES	80,000	3,643,750	4,444,195
	TOTAL EXPENDITURES	(52,276)	(3,574,870)	(4,372,295)
	CHANGE IN NET POSITION	27,724	68,880	71,900
	BEGINNING NET POSITION	-	27,724	96,603
TOTAL NET POSITION		27,724	96,603	168,503
	RESERVE SET-ASIDE		65,000	100,000
	UNDESIGNATED	27,724	31,603	68,503
TOTAL NET POSITION		27,724	96,603	168,503

STAFF REPORT
City of Lancaster

PH 1
06/12/18
MVB

Date: June 12, 2018

To: Mayor Parris and City Council Members

From: Jeff Hogan, Development Services Director

Subject: **Lancaster Landscape Maintenance District No. 1**
Levy of Annual Assessment for Fiscal Year 2018-2019

Recommendation:

Adopt **Resolution No. 18-26**, confirming the diagram and assessment and ordering the levying of an assessment in Lancaster Landscape Maintenance District No. 1 for Fiscal Year 2018-2019.

Fiscal Impact:

Each parcel annexed prior to Fiscal Year 2005-2006 will be assessed \$80.00 per benefit unit. The proposed assessment is the same as the previous year's assessment. Each parcel annexed beginning Fiscal Year 2005-2006 will be assessed \$111.77 per benefit unit. Each parcel in the Fox Field Industrial Corridor Landscape Maintenance District will be assessed \$0.37 per benefit unit. The proposed assessments include the CPI adjustment. A total of \$1,800,137.04 will be assessed against the benefiting properties, which will be used for maintenance expenses.

Background:

Lancaster Landscape Maintenance District No. 1 and Fox Field Industrial Corridor Landscape Maintenance District were formed, including subsequent annexations thereto, for the purpose of providing maintenance services to landscaping and appurtenant improvements for various developments within the City, and assessing those properties which benefit from this service. Each year, the City Council must, by law, order the preparation of an Engineer's Report describing the existing and proposed maintenance services, and conduct a public hearing to establish and order the amount of assessment for the next fiscal year.

The landscaping improvements in the areas within the District will be maintained with funds generated by the Landscape Maintenance District. Each lot or parcel within the District that was annexed prior to Fiscal Year 2005-2006, as indicated on the diagram, will be assessed a unit assessment of \$80.00 for Fiscal Year 2018-2019. The unit assessment for Fiscal Year 2018-2019 is the same as Fiscal Year 2004-2005, except for those parcels that were annexed beginning Fiscal Year 2005-2006, which will be assessed at a rate reflective of an annual index increase consistent with the consumer price index for Los Angeles-Riverside-Orange Counties.

Last year's rate was \$107.89 per benefit unit. For Fiscal Year 2018-2019, the rate of assessment will be \$111.77 per benefit unit, including the established CPI adjustment of 3.6% ($(\$107.89 + (\$107.89 \times 0.036) = \$111.77)$). Last year's rate for the Fox Field Industrial Corridor Landscape Maintenance District was \$0.36 per benefit unit. For Fiscal Year 2018-2019, the rate of assessment will be \$0.37 per benefit unit, including the established CPI adjustment of 3.6% ($(\$0.36 + (\$0.36 \times 0.036) = \$0.37)$).

EW:mm

Attachments:

Resolution No. 18-26

District Fund Accounting for Lancaster Landscape Maintenance District No.1

RESOLUTION NO. 18-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENT AND ORDERING THE LEVYING OF AN ASSESSMENT IN LANCASTER LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council on May 22, 2018, adopted a Resolution of Intention to order the levying of an assessment in Lancaster Landscape Maintenance District No. 1 and Fox Field Industrial Corridor Landscape Maintenance District (hereinafter referred to as "the District") for the purpose of providing funds for the provision of landscape maintenance services located therein pursuant to provisions of the Landscaping and Lighting Act of 1972 of the Streets and Highways Code of the State of California; and

WHEREAS, the Capital Program Manager has prepared and filed an Engineer's Report with the City Clerk as required by law; and

WHEREAS, the City Council did proceed to cause notice in the manner required by law of the time and place for a Public Hearing on the levying of the proposed assessment; and

WHEREAS, the City Council has heard all testimony and evidence, and is desirous of proceeding with the levying of an assessment.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, STATE OF CALIFORNIA, THAT:

Section 1. The City Council of the City of Lancaster hereby finds that the public interest and convenience requires the continued maintenance of the landscape improvements in Lancaster Landscape Maintenance District No. 1.

Section 2. The District diagrams and assessments as set forth in said Report, or as modified, are hereby approved, confirmed, and adopted by the City Council.

Section 3. The adoption of this Resolution constitutes the levy of an assessment of \$80.00 per lot or parcel for the Fiscal Year commencing July 1, 2018, and ending June 30, 2019, for properties annexed prior to Fiscal Year 2005-2006, and an assessment of \$111.77 per lot or parcel for properties annexed beginning Fiscal Year 2005-2006. Each parcel in the Fox Field Industrial Corridor Landscape Maintenance District will be assessed \$0.37 per benefit unit.

Section 4. The amounts to be assessed for the expenses of the maintenance, operation, and service as described in said Report and Resolution of Intention shall be collected at the same time and in the same manner as County taxes are collected, and shall be disbursed and expended for maintenance, operation and service of the District, all as described in the Engineer's Report and in Section 4 of the Resolution of Intention.

Section 5. The City Clerk is hereby ordered and directed to file a certified copy of this Resolution, upon its adoption, with the County Auditor.

PASSED, APPROVED, and ADOPTED this 12th day of June 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, California,
do hereby certify that this is a true and correct copy of the original Resolution No.18-26, 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)

ENGINEER'S REPORT
RELATIVE TO
LANCASTER LANDSCAPE MAINTENANCE DISTRICT NO. 1
AND FOX FIELD INDUSTRIAL CORRIDOR LANDSCAPE MAINTENANCE DISTRICT
FOR FISCAL YEAR 2018-2019

<u>DISTRICT FUND ACCOUNTING</u>	<u>EXPENSES</u>	<u>REVENUES</u>	<u>BALANCE</u>
Fund Balance as of July 1, 2017			\$2,541,285
FY 2017/2018 Revenues			
Assessments from Annexed Properties		\$1,750,000	
Interest, Developers' Fees for New Annexations		\$10,800	
Property Damage		\$0	
Projected Expenses through June 30, 2018	\$1,885,110		
Capital Encumbrance FY 2017/2018	\$164,968		
Transfers Out	\$24,940		
Projected Fund Balance July 1, 2018			\$2,227,067
FY 2018/2019 Projected Revenues			
Assessment from Annexed Properties		\$1,800,000	
Interest, Developers' Fees for New Annexations		\$9,500	
Property Damage		\$7,000	
Budgeted Expenses FY 2018/2019			
Operating Expenses	\$1,899,278		
Capital Improvements/Transfers Out	\$22,420		
Operating Reserve			\$1,060,934
Projected Fund Balance on July 1, 2019			\$1,060,934
<u>Lancaster Maintenance District No. 1</u>			
Total Parcels to be Assessed @ \$80.00 per Benefit Unit			18,597
Total Parcels to be Assessed @ \$111.77 per Benefit Unit			1,805
<u>Fox Field Industrial Corridor</u>			
Total Parcels to be Assessed @ \$0.37 per Benefit Unit			7(7,090BU)
<u>Front Row Center</u>			
Total Parcels to be Assessed @ \$2,393.30 per Acre			2
<u>Lancaster Business Park</u>			
Total Parcels to be Assessed @ \$0.24 per Square Foot			74

STAFF REPORT
City of Lancaster

PH 2
06/12/18
MVB

Date: June 12, 2018

To: Mayor Parris and City Council Members

From: Jeff Hogan, Development Services Director

Subject: **Lancaster Lighting Maintenance District**
Levy of Annual Assessment for Fiscal Year 2018-2019

Recommendation:

Adopt **Resolution No. 18-27**, confirming the diagram and assessment, and ordering the levying of an assessment in Lancaster Lighting Maintenance District for Fiscal Year 2018-2019.

Fiscal Impact:

Each benefit unit will be assessed \$101.97 (\$45.00 in zones that voted "no" during the 2003 election). A total of \$4,632,082.72 will be assessed against the benefiting properties, which will be used for maintenance expenses.

Background:

On March 11, 2003, the City Council directed that an election be held asking the property owners within the Lancaster Lighting Maintenance District (LLMD) to approve an increase in the annual street lighting assessment to \$70.00 per lighting unit, including a Consumer Price Index (CPI) based inflator. On July 8, 2003, the City Council announced the results of the election to approve the increase in annual assessments within the City's lighting maintenance district. The results of the tally of the election were that out of 104 zones, nine zones, namely zones 27, 30, 49B, 51B, 51D, 65B, 70A, 89B, and 103 failed to receive voter approval. Following the results of the original vote, and with the street lights being turned off, property owners within three zones that voted "no", namely zone 27 split into zones 27A and 27B, zone 30, split into zones 30A and 30B, and zone 89B split into zones 89B-1 and 89B-2, submitted petitions to the City to initiate another voting process. The City Council adopted resolutions initiating proceedings for the levy of additional assessments, and notices of public hearings and assessment ballots were mailed to the affected property owners within these zones. The three election processes were successful and the City Council approved the levy of additional assessments at the October 28, 2003, November 11, 2003, and January 27, 2004 Council meetings.

Lancaster Lighting Maintenance District was formed, including subsequent annexations thereto, for the purpose of financing maintenance operations and installation of public lighting facilities, including, but not limited to, traffic signals (as defined in § 22525 of the California Code) within the City of Lancaster, and assessing those properties which benefit from this service their proportionate share of the cost. Each year the City Council must, by law, order the preparation of an Engineer's Report describing the existing and proposed maintenance services, and conduct a public hearing to establish and order the amount of assessment for the next fiscal year.

The assessment for Fiscal Year 2018-2019 is \$101.97, including a CPI factor for Los Angeles-Riverside-Orange County of 3.6% per lighting unit, except for those parcels within the zones that voted "no", which will remain at \$45.00 per lighting unit.

The street lighting improvements in the areas within the District will be maintained with funds generated by the Lighting Maintenance District. Each lot or parcel within the District that has been annexed as indicated on the diagram will be assessed a unit assessment of \$101.97 for Fiscal Year 2018-2019. Parcels within the zones that voted "no" will remain at a unit assessment of \$45.00.

EW: mm

Attachments:

Resolution No. 18-27

District Fund Accounting for Lancaster Lighting Maintenance District

RESOLUTION NO. 18-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENT AND ORDERING THE LEVYING OF AN ASSESSMENT IN LANCASTER LIGHTING MAINTENANCE DISTRICT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council on May 22, 2018, adopted a Resolution of Intention to order the levying of an assessment in Lancaster Lighting Maintenance District (hereinafter referred to as "the District") for the purpose of providing funds for the provision of lighting maintenance services located therein, pursuant to provisions of the Landscaping and Lighting Act of 1972 of the Streets and Highways Code of the State of California; and

WHEREAS, the Capital Program Manager has prepared and filed an Engineer's Report with the City Clerk as required by law; and

WHEREAS, the City Council did proceed to cause notice in the manner required by law of the time and place for a Public Hearing on the levying of the proposed assessment; and

WHEREAS, the City Council has heard all testimony and evidence, and is desirous of proceeding with the levying of an assessment.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, STATE OF CALIFORNIA, THAT:

Section 1. The City Council of the City of Lancaster hereby finds that the public interest and convenience requires the continued maintenance of the lighting improvements in Lancaster Lighting Maintenance District.

Section 2. The District diagrams and assessments as set forth in said Report, or as modified, are hereby approved, confirmed, and adopted by the City Council.

Section 3. The adoption of the Resolution constitutes the levy of an assessment of \$101.97 per lighting unit, except for those parcels within the zones that voted "no", which will remain at \$45.00 per lighting unit, for the fiscal year commencing July 1, 2018, and ending June 30, 2019.

Section 4. The amounts to be assessed for the expenses of the maintenance, operation, and service as described in said Report and Resolution of Intention shall be collected at the same time and in the same manner as County taxes are collected, and shall be disbursed and expended for maintenance, operation and service of the District, all as described in the Engineer's Report and in Section 4 of the Resolution of Intention.

Section 5. The City Clerk is hereby ordered and directed to file a certified copy of this Resolution, upon its adoption, with the County Auditor.

PASSED, APPROVED, and ADOPTED this 12th day of June, 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, California,
do hereby certify that this is a true and correct copy of the original Resolution No. 18-27, 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)

ENGINEER'S REPORT
RELATIVE TO
LANCASTER LIGHTING MAINTENANCE DISTRICT
FOR FISCAL YEAR 2018-2019

<u>DISTRICT FUND ACCOUNTING</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Balance</u>
Fund Balance as of July 1, 2017			\$(134,173)
FY 2017/2018 Revenues			
Assessments from Annexed Properties		\$4,550,000	
Interest, Developers' Fees for New Annexations		\$71,000	
Property Damage		\$300,000	
Rebates for Energy Savings Measures		\$1,904,726	
FY 2017/2018 Projected Expenditures			
Operating Expenditures	\$5,500,738		
Capital Improvements	\$0		
Streetlight LED Retrofits	\$1,653,062		
Transfers Out-Retiree Health Benefits	\$65,005		
Fund Shortfall covered TDA Art 8	\$(600,000)		
Projected Fund Balance as of July 1, 2018			\$72,748
FY 2018/2019 Projected Revenues			
Assessments from Annexed Properties		\$4,550,000	
Interest, Developers' Fees for New Annexations		\$11,000	
Property Damage		\$300,000	
Rebates for Energy Savings Measures		\$0	
FY 2018/2019 Projected Expenditures			
Operating Expenses	\$5,204,253		
Capital Improvements	\$0		
Transfers Out-Retiree Health Benefits	\$106,500		
Fund Shortfall covered TDA Art 8	\$(450,000)		
2018/2019 Operating Reserve			\$72,995
Projected Unreserved Fund Balance as of July 1, 2019			\$0
Total Lighting Units to be Assessed @ \$101.97 per Unit			44,787.66
Total Lighting Units to be Assessed @ \$45.00 per Unit			1,446.34
Total Parcels to be Assessed			37,979

STAFF REPORT
City of Lancaster

PH 3
06/12/18
MVB

Date: June 12, 2018

To: Mayor Parris and City Council Members

From: Jeff Hogan, Development Services Director

Subject: **Lancaster Drainage Benefit Assessment District**
Levy of Annual Assessment for Fiscal Year 2018-2019

Recommendation:

Adopt **Resolution No. 18-28**, confirming the diagram and assessment, and ordering the levying of an assessment in Lancaster Drainage Benefit Assessment District for Fiscal Year 2018-2019.

Fiscal Impact:

Each benefit unit annexed prior to Fiscal Year 2005-2006 will be assessed \$50.00. The proposed assessment is the same as the previous year's assessment. Each benefit unit annexed beginning Fiscal Year 2005-2006 will be assessed \$69.86. The proposed assessment includes the CPI adjustment. A total of \$1,748,671.59 will be assessed against the benefiting properties, which will be used for maintenance expenses.

Background:

The City Council previously formed the Lancaster Drainage Benefit Assessment District, including establishment of separate zones, and submitted the proposition to the eligible voters in each respective zone. The majority of voters approved the formation of the District, the separate zones, and the levying of the assessment. The first year's assessment was paid by the developers of the property. Each year, thereafter, the City Council, after public notice and hearing, may determine and impose an annual assessment. Due to the cost and complexity of accounting for separate zones of benefit within the District, separate zone designations were eliminated in 1992 per Resolution 93-134, by City Council action.

The drainage improvements in the District have been completed and accepted by the City Council, and will be maintained with funds generated by the Drainage Benefit Assessment District. Each lot or parcel within the District that was annexed prior to Fiscal Year 2005-2006, as indicated on the diagram, will be assessed a unit assessment of \$50.00 per equivalent drainage unit (EDU) for Fiscal Year 2018-2019.

The unit assessment for Fiscal Year 2018-2019 is the same as Fiscal Year 2004-2005, except for those parcels that were annexed beginning Fiscal Year 2005-2006, which will be assessed at a rate reflective of an annual index increase consistent with the consumer price index for Los Angeles-Riverside-Orange Counties. Last year's rate was \$67.43. For Fiscal Year 2018-2019, the rate of assessment will be \$69.86 per assessment unit, including the established CPI adjustment of 3.6% ($(\$67.43 + (\$67.43 \times 0.036) = \$69.86)$).

The method of assessment is based on proportionate storm water runoff, thereby assessing developments with more impervious area a proportionately larger share of the total assessed costs. Refer to the attached Engineer's Report and Assessment for details.

EW:mm

Attachments:

Resolution No. 18-28

District Fund Accounting for Lancaster Drainage Maintenance District

RESOLUTION NO. 18-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENT, AND ORDERING THE LEVYING OF AN ASSESSMENT IN LANCASTER DRAINAGE BENEFIT ASSESSMENT DISTRICT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council on May 22, 2018, adopted a Resolution of Intention to order the levying of an annual assessment in Lancaster Drainage Benefit Assessment District (hereinafter referred to as "the District") for the purpose of providing funds for the maintenance, operation, and servicing of the drainage improvements located therein, pursuant to provisions of the Benefit Assessment Act of 1982 of the Government Code of the State of California; and

WHEREAS, the Capital Program Manager has prepared and filed an Engineer's Report with the City Clerk as required by law; and

WHEREAS, the City Council did proceed to cause notice in the manner required by law of the time and place for a public hearing on the levying of the proposed assessment; and

WHEREAS, the City Council has heard all testimony and evidence, and is desirous of proceeding with the levying of an assessment.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, STATE OF CALIFORNIA, THAT:

Section 1. The City Council of the City of Lancaster hereby finds that the public interest and convenience requires the continued operation and maintenance of the drainage improvements in Lancaster Drainage Benefit Assessment District.

Section 2. The District diagrams and assessments as set forth in said Report, or as modified, are hereby approved, confirmed, and adopted by the City Council.

Section 3. The adoption of the Resolution constitutes the levy of an assessment of \$50.00 per equivalent drainage unit (EDU) for the Fiscal Year commencing July 1, 2018, and ending June 30, 2019, for properties annexed prior to Fiscal Year 2005-2006, and an assessment of \$69.86 per EDU for properties annexed beginning fiscal year 2005-2006.

Section 4. The amounts to be assessed for the expenses of the maintenance operation, and service as described in said Report and Resolution of Intention shall be collected at the same time and in the same manner as County taxes are collected and shall be disbursed and expended for maintenance, operation and service of the District, all as described in the Engineer's Report.

Section 5. The City Clerk is hereby ordered and directed to file a certified copy of this Resolution, upon its adoption, with the County Auditor.

PASSED, APPROVED, and ADOPTED this 12th day of June, 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, California, do hereby certify that this is a true and correct copy of the original Resolution No. 18-28, 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)

ENGINEER'S REPORT
RELATIVE TO
LANCASTER DRAINAGE BENEFIT ASSESSMENT DISTRICT
FOR FISCAL YEAR 2018-2019

<u>DISTRICT FUND ACCOUNTING</u>	<u>EXPENSES</u>	<u>REVENUES</u>	<u>BALANCE</u>
Fund Balance as of July 1, 2017			\$1,515,273
FY 2017/2018 Revenues			
Assessments from Annexed Properties		\$1,625,000	
Interest, Developers' Fees for New Annexations		\$17,000	
Others Reimbursements		\$0	
Projected Expenses through June 30, 2018	\$1,335,952		
Capital Encumbrance FY 2017/2018	\$0		
Transfers Out	\$55,980		
Projected Fund Balance as of July 1, 2018			\$1,765,341
FY 2018/2019 Estimated Revenues			
Assessments from Annexed Properties		\$1,650,000	
Interest, Developers' Fees for New Annexations		\$5,000	
Budgeted Expenses FY 2018/2019			
Operating Expenses	\$1,750,453		
Capital Improvements	\$0		
Transfers Out	\$44,840		
Operating Reserve			\$175,045
Projected Unreserved Fund Balance on July 1, 2019			\$1,450,003
Total EDU's to be Assessed @ \$50			20,540.65
Total EDU's to be assessed @ \$69.86			11,455.16
Total EDU's to be assessed			31,995.81
Total PARCELS to be assessed			15,722

STAFF REPORT
City of Lancaster

PH 4
06/12/18
MVB

Date: June 12, 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 II Multifamily Residential Project**

Recommendation:

Adopt **Resolution No. 18-29**, 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 \$13,000,000 to assist in the financing of the acquisition, construction and development of a multifamily rental housing development to be known as Kensington II located at the proposed 32nd Street West and Avenue I, in the City of Lancaster, California (the “Project”).

Fiscal Impact:

None for this action. 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:

Life Hands You Lemons II, LP, a California limited partnership company, or an affiliate thereof (“Borrower”) plans to finance the acquisition, construction and development of a multifamily rental housing development commonly known as Kensington II located at the proposed 32nd 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 May 29, 2018 and June 5, 2018, and the public hearing is scheduled for June 12, 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. 18-29

RESOLUTION NO. 18-29

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 II 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, When Life Hands You Lemons II, LP, a limited partnership company, or an affiliate thereof, such as a partnership consisting at least of When Life Hands You Lemons II, LP 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 \$13,000,000 (the "Bonds") for the acquisition, construction, development, improvement and equipping of a multifamily rental housing development to be known as Kensington II 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, THE CITY COUNCIL OF THE CITY OF LANCASTER, DOES HEREBY RESOLVE, DETERMINE AND ORDER, 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 12th day of June, 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, California,
do hereby certify that this is a true and correct copy of the original Resolution No. 18-29, 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)
