



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

Tuesday

October 23, 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, October 19, 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 Raj Malhi

Authority Member Ken Mann

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, OCTOBER 23, 2018**

AGENDA ITEMS TO BE REMOVED

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

PUBLIC BUSINESS FROM THE FLOOR - AGENDIZED ITEMS

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

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

CALL TO ORDER

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

ROLL CALL

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

ROLL CALL

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

INVOCATION

PLEDGE OF ALLEGIANCE

PRESENTATION

1. Recognition of Shawne Chamberlin of Crossfit Inner Chamber
Presenter: Vice Mayor Crist

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CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, OCTOBER 23, 2018**

HOUSING AUTHORITY ACTIONS

HA CC 1. Approve the Loan Agreement between the Lancaster Housing Authority and When Life Hands You More 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.

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.

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.

On January 9, 2018, the Lancaster Housing Authority approved a HOME Loan Agreement between the Lancaster Housing Authority and InSite Development LLC in the amount of \$700,000. The HOME funds cannot be utilized on this project due to the conflict of rent limit requirements used by the Housing Community Development Commission and the State of California Low-Income Housing Tax Credit Program. Therefore, to make the project financially feasible the Lancaster Housing Authority will loan InSite Development LLC \$700,000.

COUNCIL ACTIONS

MINUTES

M 1. Approve the City Council/Successor Agency/Financing/ Power/ California Choice Energy Authority Regular Meeting Minutes of October 9, 2018.

CONSENT CALENDAR

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

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
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REGULAR MEETING AGENDA
TUESDAY, OCTOBER 23, 2018**

CC 2. Approve the Check and Wire Registers for September 23, 2018, through October 6, 2018 in the amount of \$6,874,024.48. 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. Accept and approve the September 2018, Monthly Report of Investments as submitted.

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

CC 4. Adopt **Ordinance No. 1050**, adding Chapter 2.40.045 to the Lancaster Municipal Code relating to electronic and paperless filing of Fair Political Practices Commission Campaign Disclosure Statements.

Adoption of this ordinance provides that in any instance in which the original statement is required to be filed with the Secretary of State and a copy of that statement is required to be filed with the local government agency, the filer may file the copy online or electronically, but is not required to do so.

PUBLIC HEARINGS

PH 1. General Plan Amendment No. 18-02 and Zone Change No. 18-02 Generally Bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West (Assessor's Parcel Numbers 3219-013-001, 3268-018-039, and 3268-018-900)

Recommendations:

a. Adopt **Resolution No. 18-54**, approving General Plan Amendment No. 18-02, amending the General Plan land use designation from Urban Residential (UR) and Park (PK) to Non-Urban Residential (NU).

b. Introduce **Ordinance No. 1051**, amending the city zoning plan for approximately 80 acres of a 424-acre site generally bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West, known as Zone Change No. 18-02, from R-7,000 (Single Family Residential, minimum lot size 7,000 square feet) and PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres).

The applicant, San Pablo A, LLC (dba sPower), submitted applications for a General Plan Amendment (GPA), Zone Change (ZC), and Conditional Use Permit (CUP) for the development of a 100-megawatt photovoltaic solar facility on approximately 424 gross acres (414 net acres). In order to facilitate the development of the proposed solar facility, the applicant requested to amend the General Plan land use designation from UR and PK to NU, and zoning from R-7,000 and PK to RR-2.5 on 80 acres of the 424-acre site. The proposed change in the land use designation and zoning for the subject site would be consistent with the designation and zoning of the surrounding properties.

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, OCTOBER 23, 2018**

PH 2. General Plan Amendment No. 18-04 and Zone Change No. 18-04 Located at the Southeast corner of Avenue H-8 and 70th Street West (Assessor's Parcel Number 3268-025-900)

Recommendations:

a. Adopt **Resolution No. 18-55**, approving General Plan Amendment No. 18-04, amending the General Plan land use designation from Park (PK) to Non-Urban Residential (NU).

b. Introduce **Ordinance No. 1052**, amending the city zoning plan for approximately 20 acres of land located at the southeast corner of Avenue H-8 and 70th Street West, known as Zone Change No. 18-04, from PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres).

The applicant, Antelope Expansion 1B, LLC (dba sPower), submitted applications for a General Plan Amendment (GPA), Zone Change (ZC), and Conditional Use Permit (CUP) for the development of a 25-megawatt photovoltaic solar facility on approximately 135 acres. In order to facilitate the development of the proposed solar facility, the applicant requested to amend the General Plan land use designation from PK to NU, and zoning from PK to RR-2.5 on 20 acres of the 135-acre site. The proposed change in the land use designation and zoning for the subject site would be consistent with the designation and zoning of the surrounding properties.

NEW BUSINESS

NB 1. Facilities Lease Agreement with Landmark Infrastructure Incorporated (Landmark) for a Citywide Demonstration of Landmark's Vertex One (V1) Colocatable Communications Technology Infrastructure

Recommendation:

Approve a Facilities Lease Agreement with Landmark for a citywide demonstration of Landmark's V1 Colocatable Communications Technology Infrastructure at fifteen City facilities including Lancaster City Hall, the Park and Ride at Sgt. Steve Owen Park and Rawley Duntley Park.

Staff is requesting City Council approval of a lease agreement to install V1 smart infrastructure at fifteen City sites. This demonstration will benefit the City through added cellular coverage throughout the City. Additionally, the City will serve as a test bed for new technologies including video monitoring and IoT sensor data collection which Landmark will incorporate at each pilot site. The City will also have access to antennas at each site for use on City lead Wi-Fi projects. Each V1 pole will be wrapped by Landmark based on a design that is preapproved by the City.

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CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
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REGULAR MEETING AGENDA
TUESDAY, OCTOBER 23, 2018**

COUNCIL REPORTS

CR 1. Report on the Activities of the Board of Directors for the Antelope Valley Transit Authority
Presenters: Vice Mayor Crist and Council Member Malhi

CR 2. Council Reports

LANCASTER FINANCING AUTHORITY

No action required at this time.

LANCASTER POWER AUTHORITY

No action required at this time.

LANCASTER SUCCESSOR AGENCY

No action required at this time.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

CITY CLERK / AGENCY / AUTHORITY SECRETARY ANNOUNCEMENT

PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

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

COUNCIL / AGENCY / AUTHORITY COMMENTS

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, OCTOBER 23, 2018**

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. Adams v. Thomas, LASC Case No MC027683
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. Better Neighborhoods v. Lancaster, LASC BS175020
14. 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

ADJOURNMENT

Next Regular Meeting:

Tuesday, November 13, 2018 - 5:00 p.m.

**CITY OF LANCASTER, CALIFORNIA
CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/HOUSING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
REGULAR MEETING AGENDA
TUESDAY, OCTOBER 23, 2018**

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
10/23/18
MVB

Date: October 23, 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 More Lemons, LP, a California Limited Partnership**

Recommendation:

Approve the Loan Agreement between the Lancaster Housing Authority and When Life Hands You More 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 \$625,008 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 September 11, 2018, the Lancaster Housing Authority approved a Loan Agreement between the Lancaster Housing Authority When Life Hands You More Lemons, LP for the building and impact fees for the property located at future 32nd Street West and West Avenue I.

InSite Development, LLC, a California limited liability company, or an affiliate thereof (“Borrower”) plans to finance the acquisition, construction, and development of a multifamily rental housing development commonly known as Kensington Campus located at the proposed 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. Fifty 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 October 23, 2018, by and between the **LANCASTER HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), and **WHEN LIFE HANDS YOU MORE 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) unit multifamily residential project to be known as Kensington Campus Phase 2. In consideration for the Authority Loan (as defined herein), 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.

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 Project, 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 the product of 30 percent times 80 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 80 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 Twenty Five Thousand and Eight Dollars (\$625,008) to the Developer, as provided in Section 201 of this 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 and Regulatory Agreement 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 More Lemons, LP, 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 this Agreement.

“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 this Agreement.

“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 Twenty Five Thousand Eight Dollars (\$625,008) (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. Interest on the Authority Loan shall accrue pursuant to the terms set forth in 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 Authority is prepared to record the Authority Loan Deed of Trust against the Property, 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.

203. Representations and Warranties. Developer represents and warrants to

Authority as follows:

(a) **Authority.** Developer is a duly organized California limited partnership 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 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 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, expert witnesses 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 Phase 2 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 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, 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 Developer will obtain and maintain on file a certified statement of income on a form to be approved by the Authority 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 Sections 303 and 304 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 More Lemons, LP
6265 Variel Avenue
Woodland Hills, California 91367
Attention: Steven 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 Ocean Park Community Center, a California nonprofit public benefit corporation 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 338
Palm Beach, Florida 334380
Attention: Brian Goldberg
Telephone: (561)833-5050
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

With a copy to:

Kutak Rock, LLP
1650 Farnam Street
Omaha, NE 68102
Attn: Shane Deaver, Esq.

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 an entity controlled by or under common control with When Life Hands You More 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.

[Signatures begin on next page.]

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

DEVELOPER

**WHEN LIFE HANDS YOU MORE
LEMONS, LP**, a California limited partnership

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation

Its Managing General Partner

Dated: _____

By: _____

John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

Dated: 10/23/18

By: 

Steven Eglash
Managing Member

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

DEVELOPER

**WHEN LIFE HANDS YOU MORE
LEMONS, LP**, a California limited partnership

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation

Its Managing General Partner

Dated: 10/23/19

By: 
John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

Dated: _____

By: _____
Steven Eglash
Managing Member

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

Dated: _____

By: _____
Executive Director

APPROVED AS TO FORM:



Elizabeth Brubaker
Deputy Executive Director

ATTEST:

Britt Avrit, CMC
Authority Secretary

APPROVED AS TO FORM:

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

ATTACHMENT NO. 1

SITE LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LANCASTER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 4 OF PARCEL MAP NO. 82267, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 398, PAGES 46 THROUGH 50 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE ANY PORTION LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND, AS EXCEPTED AND RESERVED BY THE LANCASTER HOUSING AUTHORITY IN DEED RECORDED MARCH 29, 2018, AS INSTRUMENT NO. 20180299928, OF OFFICIAL RECORDS OF SAID COUNTY.

APN: 3107-012-905

ATTACHMENT NO. 2

AUTHORITY LOAN PROMISSORY NOTE

\$625,008.00

October 23, 2018

Lancaster, California

FOR VALUE RECEIVED, WHEN LIFE HANDS YOU MORE 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 Twenty Five Thousand Eight Dollars (\$625,008) (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 October 23, 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 this Note is due and payable upon transfer of title or sale of property. No interest shall accrue with respect to this 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 Housing Authority and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Developer, and on behalf of any

makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the Authority and Authority's successors and assigns.

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

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

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

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

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

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

misrepresentation or bad faith waste; or (b) recover directly from the Developer any condemnation or insurance proceeds, or other similar funds or payments attributable to the Property which under the terms of the Authority Loan Deed of Trust should have been paid to the Authority, and any costs and expenses incurred by the Authority in connection with (a) or (b) above (including without limitation reasonable attorneys' fees and costs).

16. Subordination. The mortgage or deed of trust securing this Note is and shall be subject and subordinate in all respects to the license, terms, covenants and conditions of the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing as beneficiary executed by Developer, as Trustor, naming ZB, N.A. dba California Bank & Trust as beneficiary securing the Promissory Note as more fully set forth in the Subordination Agreement between ZB, N.A. dba California Bank & Trust and Authority. 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.

[Signatures continued on next page.]

DEVELOPER:

**WHEN LIFE HANDS YOU MORE
LEMONS, LP**, a California limited partnership

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation

Its Managing General Partner

By: _____

John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

Dated: 10/23/18

By: _____

St Eglash
Steven Eglash
Managing Member

DEVELOPER:

**WHEN LIFE HANDS YOU MORE
LEMONS, LP**, a California limited partnership

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation

Its Managing General Partner

By: 
John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

Dated: _____

By: _____
Steven Eglash
Managing Member

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 October 23, 2018, is made by and among **WHEN LIFE HANDS YOU MORE 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 32nd Street West and Avenue I 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 Twenty Five Thousand Eight Dollars (\$625,008) 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 More Lemons, LP
6330 Variel Avenue, Suite 201
Woodland Hills, California 91367
Attention: Steven 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, the Note, this Authority Loan Deed of Trust and the Declaration that certain Residential Declaration of Conditions, Covenants and Restrictions and Regulatory Agreement, and that certain Declaration of Conditions, Covenants and Restrictions for the Ocean Park Community Center, dba The People Concern, a nonprofit public benefit corporation, 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 338
Palm Beach, Florida 3
Attention: Brian Goldberg
Telephone: (561)833-5050
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
with a copy to:

Kutak Rock, LLP
1650 Farnam Street
Omaha, NE 68102
Attn: Shane Deaver, Esq.

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.

7.14 Tax Credit Provisions. Notwithstanding anything to the contrary contained in the Authority Loan Documents, the following provisions shall apply for as long as Investor Limited Partner is a limited partner of Trustor:

(a) **Notice and Cure.** Investor Limited Partner shall have the right, but not the obligation, to cure any default by Trustor under the Loan Documents, and Trustee agrees to accept any such cure tendered by Investor Limited Partner within any applicable grace period or cure period available to Borrower.

(b) **Permitted Transfers.** The following shall be permitted without consent of Trustee or Beneficiary and shall not constitute an event of default or result in any fee: (i) the transfer by the Investor Limited Partner of all or any portion of its interest in Trustor to any other entity which is an affiliate of Investor Limited Partner or its members, any other entity which is controlled by or under common control with Alliant, Inc., or any entity which is sponsored by Investor Limited Partner or Alliant, Inc.; (ii) the removal and replacement of the general partner of the Trustor in accordance with the Trustor's Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), and/or (iii) an amendment of the Partnership Agreement memorializing the transfers or removal described above.

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 MORE
LEMONS, LP**, a California limited partnership

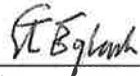
By: Ocean Park Community Center,
Dbas The People Concern
a California nonprofit public benefit corporation

Its Managing General Partner

By: _____
John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

By:  _____
Steven Eglash
Managing Member

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)
County of Los Angeles)
On October 16, 2018 before me, Linda J. Gonzalez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Steven Eglash
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Loan Agreement Document Date: October 23, 2018
Number of Pages: 58 Signer(s) Other Than Named Above: no other signers

Capacity(ies) Claimed by Signer(s)

Signer's Name: Steven Eglash Signer's Name: _____
 Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____
 Partner — Limited General Partner — Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian or Conservator Trustee Guardian or Conservator
 Other: _____ Other: _____
Signer Is Representing: Website Development, LLC Signer Is Representing: _____

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 MORE
LEMONS, LP, a California limited partnership**

By: Ocean Park Community Center,
Dba The People Concern
a California nonprofit public benefit corporation

Its Managing General Partner

By: _____


John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

By: _____

Steven Eglash
Managing Member

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)

County of Los Angeles)

On October 16, 2018 before me, Patricia Lopez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared John Maceri
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

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

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LANCASTER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 4 OF PARCEL MAP NO. 82267, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 398, PAGES 46 THROUGH 50 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE ANY PORTION LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND, AS EXCEPTED AND RESERVED BY THE LANCASTER HOUSING AUTHORITY IN DEED RECORDED MARCH 29, 2018, AS INSTRUMENT NO. 20180299928, OF OFFICIAL RECORDS OF SAID COUNTY.

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 **WHEN LIFE HANDS YOU MORE LEMONS, LP**, a California limited partnership (the "Covenantor"), as of the 23rd day of October 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 October 23, 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 Section 100 of the Agreement, 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 Phase 2, 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 the product of 30 percent times 80 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 80 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 Twenty Five Thousand and Eight Dollars (\$625,008) 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 Agreement.

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

“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 October 23, 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 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 Exhibit A attached hereto 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 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 Phase 2 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 Covenantee 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 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 Covenantee 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, 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 Covenantee, which approval the Covenantee may grant, withhold or deny in its sole and absolute

discretion. If at any time Covenantor fails to maintain the Property in accordance with the Agreement or this Declaration and such condition is not corrected within ten (10) days after written notice from the Covenantee (with a copy to the then existing lenders for the project) with respect to graffiti, debris, waste material, and general maintenance, or thirty days (or such longer period of time as is reasonably necessary to correct the condition) after written notice from the Covenantee with respect to landscaping and building improvements, then the Covenantee, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Property and perform all acts and work reasonably necessary to protect, maintain, and preserve the Improvements and landscaped areas on the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Covenantee and/or costs of such cure, including a five percent (5%) administrative charge, which amount shall be promptly paid by Covenantor to the Covenantee upon demand. The foregoing covenants shall run with the land for the term of the Affordability Period.

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

6. Long Term Management of the Property. The parties acknowledge that the Covenantee is interested in the long term management and operation of the Property and in the qualifications of any person or entity retained by the Covenantor for that purpose (the "Property Manager"). The Covenantee may from time to time review and evaluate the identity and performance of the Property Manager of the Property and the Property Manager's compliance with the provisions of the Agreement and this Declaration. If the Covenantee reasonably determines that the performance of the Property Manager is deficient based upon the standards and requirements set forth in the Agreement and this Declaration, the Covenantee shall provide notice to the Covenantor of such deficiencies and the Covenantor shall use its best efforts to correct or cause to be corrected such deficiencies. Upon Default of the terms of the Agreement or this Declaration by the Property Manager, the Covenantee shall have the right to require the Covenantor to immediately remove and replace the Property Manager with another property manager or property management company reasonably acceptable to the Covenantee. Such Property Manager shall be experienced in managing multifamily residential developments similar to the Project and shall not be related to or affiliated with the Covenantor. The foregoing covenants shall run with the land for the term of the Affordability Period.

7. Covenants Do Not Impair Lien. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Declaration shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest.

8. Conflict with Other Laws; Severability. In the event that any provision of this Declaration is found to be contrary to applicable law or any other provision of this Declaration, then the contrary provisions of this Declaration shall be deemed to mean those provisions which are enforceable and consistent with such laws and policies. The remaining

portions of this Declaration shall be deemed modified in a manner which is consistent with the goals and intent of this Declaration to provide housing to Lower Income Residents as set forth in the Agreement. Every provision of this Declaration is intended to be severable. In the event any term or provision of this Declaration is declared by a court of competent jurisdiction to be unlawful, invalid or unenforceable for any reason, such determination shall not affect the balance of the terms and provisions of this Declaration, which terms and provisions shall remain binding and enforceable.

9. Covenants For Benefit of City and Covenantee. All covenants without regard to technical classification or designation shall be binding for the benefit of the Covenantee and the City and such covenants shall run in favor of the Covenantee and the City for the entire period during which such covenants shall be in force and effect. such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper legal proceedings to enforce and to cure such breach to which it or any other beneficiaries of these covenants may be entitled during the term specified for such covenants, except the covenants against discrimination which may be enforced at law or in equity at any time in perpetuity.

10. Notices, Demands and Communications. Written notices, demands and communications between the Covenantor and the Covenantee shall be sufficiently given if delivered by hand or dispatched by registered or certified mail, postage prepaid, return receipt requested, as follows:

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

Covenantee: When Life Hands You More Lemons, LP
6330 Variel Avenue, Suite 201
Woodland Hills, California 91367
Attention: Steven 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 Ocean Park Community Center, dba The People Concern, a nonprofit public benefit corporation, 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 338
Palm Beach, Florida 334380
Attention: Brian Goldberg
Telephone: (561)833-5050
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

with a copy to:

Kutak Rock, LLP
1650 Farnam Street
Omaha, NE 68102
Attn: Shane Deaver, Esq.

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.

Authority Loan; provided, however, that if the Covenantor is in good faith contesting a claim of default under a loan and the Covenantee's interest under this Agreement is not imminently threatened by such default, the Covenantee shall not have the right to cure such default. The Covenantor agrees to reimburse the Covenantee for any funds advanced by the Covenantee to cure a monetary default by Covenantor upon demand therefore, together with interest thereon at the rate of ten percent (10%) per annum, from the date of expenditure until the date of reimbursement.

IN WITNESS WHEREOF, the Covenantor have caused this instrument to be executed on its behalf by its officers hereunto duly authorized as of the date set forth above.

DEVELOPER:

**WHEN LIFE HANDS YOU MORE
LEMONS, LP**, a California limited partnership

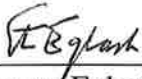
By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation

Its Managing General Partner

By: _____
John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

By:  _____
Steven Eglash
Managing Member

LANCASTER HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Executive Director
Mark V. Bozigian

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)
County of Los Angeles)
On October 10, 2018 before me, Linda J. Gonzalez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Steven Eglash
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Loan Agreement Document Date: October 23, 2018
Number of Pages: 58 Signer(s) Other Than Named Above: no other signers

Capacity(ies) Claimed by Signer(s)

Signer's Name: Steven Eglash Signer's Name: _____
 Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____
 Partner — Limited General Partner — Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian or Conservator Trustee Guardian or Conservator
 Other: _____ Other: _____
Signer Is Representing: InSite Development, LLC Signer Is Representing: _____

(b) Right to Cure at Covenantor's Expense. The Covenantee shall have the right to cure any monetary default by Covenantor under a loan or grant other than the Authority Loan; provided, however, that if the Covenantor is in good faith contesting a claim of default under a loan and the Covenantee's interest under this Agreement is not imminently threatened by such default, the Covenantee shall not have the right to cure such default. The Covenantor agrees to reimburse the Covenantee for any funds advanced by the Covenantee to cure a monetary default by Covenantor upon demand therefore, together with interest thereon at the rate of ten percent (10%) per annum, from the date of expenditure until the date of reimbursement.

IN WITNESS WHEREOF, the Covenantor have caused this instrument to be executed on its behalf by its officers hereunto duly authorized as of the date set forth above.


DEVELOPER:

**WHEN LIFE HANDS YOU MORE
LEMONS, LP**, a California limited partnership

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation

Its Managing General Partner

By: _____


John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company

Its Co-General Partner

By: _____

Steven Eglash
Managing Member

LANCASTER HOUSING AUTHORITY,
a public body, corporate and politic

By: _____

Executive Director

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)

County of Los Angeles)

On October 16, 2018 before me, Patricia Lopez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared John Maceri
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LANCASTER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 4 OF PARCEL MAP NO. 82267, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 398, PAGES 46 THROUGH 50 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE ANY PORTION LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND, AS EXCEPTED AND RESERVED BY THE LANCASTER HOUSING AUTHORITY IN DEED RECORDED MARCH 29, 2018, AS INSTRUMENT NO. 20180299928, OF OFFICIAL RECORDS OF SAID COUNTY.

APN: 3107-012-905

STAFF REPORT
Lancaster Housing Authority

HA CC 2
10/23/18
MVB

Date: October 23, 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 \$700,000 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 in the amount of \$700,000.

The HOME funds cannot be utilized on this project due to the conflict of rent limit requirements used by the Housing Community Development Commission and the State of California Low-Income Housing Tax Credit Program. Therefore, to make the project financially feasible the Lancaster Housing Authority will loan InSite Development LLC \$700,000.

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. Fifty 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 October 23, 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 Legislature 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.

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 Project, 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 the product of 30 percent times 80 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 80 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 Seven Hundred Thousand Dollars (\$700,000) to the Developer, as provided in Section 201 of this 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 and Regulatory Agreement 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 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 this Agreement.

“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 this Agreement.

“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 Seven Hundred Thousand Dollars (\$700,000) (the “Authority Loan”). The Developer's obligation to repay the Authority Loan

shall be evidenced by the Authority Loan Promissory Note and secured by the Authority Loan Deed of Trust encumbering the Property and Improvements. The proceeds of the Authority Loan shall be disbursed directly to the Developer or to vendors, contractors or sub-contractors designated by the Developer upon request. Said proceeds shall be used by Developer for the sole purpose of constructing the Improvements as provided herein. Except for transfers permitted pursuant to Section 603 or approved by the Authority, all interest and principal of the Authority Loan is due and payable upon transfer of title or sale of property. Interest on the Authority Loan shall accrue pursuant to the terms set forth in 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 Authority is prepared to record the Authority Loan Deed of Trust against the Property, 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.

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

(a) **Authority.** Developer is a duly organized California limited partnership 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 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 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 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, 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 Developer will obtain and maintain on file a certified statement of income on a form to be approved by the Authority 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 Sections 303 and 304 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
6330 Variel Avenue, Suite 201
Woodland Hills, California 91367
Attention: Steven 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 Ocean Park Community Center, a California nonprofit public benefit corporation 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 338
Palm Beach, Florida 334380
Attention: Brian Goldberg
Telephone: (561)833-5050
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

With a copy to:

Kutak Rock, LLP
1650 Farnam Street
Omaha, NE 68102
Attn: Shane Deaver, Esq.

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 an 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.

[Signatures begin on next page.]

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

Dated: 10/23/18

By: Steve Eglash
Steve Eglash

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation
Its Managing General Partner

Dated: _____

By: _____
John Maceri
Executive Director

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

Dated: _____

By: _____
Steve Eglash

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit corporation
Its Managing General Partner

Dated: 10/23/18

By: 
John Maceri
Executive Director

LANCASTER HOUSING AUTHORITY, a public
body corporate and politic

Dated: _____

By: _____
Executive Director

APPROVED AS TO FORM:



Elizabeth Brubaker
Deputy Executive Director

ATTEST:

Britt Avrit, CMC
Authority Secretary

APPROVED AS TO FORM:

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

ATTACHMENT NO. 1

SITE LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LANCASTER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 82267, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 398, PAGES 46 THROUGH 50 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE ANY PORTION LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND, AS EXCEPTED AND RESERVED BY THE LANCASTER HOUSING AUTHORITY IN DEED RECORDED MARCH 29, 2018, AS INSTRUMENT NO. 20180299928, OF OFFICIAL RECORDS OF SAID COUNTY.

APN: 3107-012-905 PORTION

ATTACHMENT NO. 2

AUTHORITY LOAN PROMISSORY NOTE

\$700,000.00

October 23, 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 Seven Hundred Thousand Dollars (\$700,000) (the “Note Amount”), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

1. Agreement. This Authority Loan Promissory Note (the “Note”) is given in accordance with that certain Loan Agreement executed by the Authority and the Developer, dated as of October 23, 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 this Note is due and payable upon transfer of title or sale of property. No interest shall accrue with respect to this 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 Housing Authority and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Developer, and on behalf of any

makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the Authority and Authority's successors and assigns.

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

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

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

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

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

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

misrepresentation or bad faith waste; or (b) recover directly from the Developer any condemnation or insurance proceeds, or other similar funds or payments attributable to the Property which under the terms of the Authority Loan Deed of Trust should have been paid to the Authority, and any costs and expenses incurred by the Authority in connection with (a) or (b) above (including without limitation reasonable attorneys' fees and costs).

16. Subordination. The mortgage or deed of trust securing this Note is and shall be subject and subordinate in all respects to the license, terms, covenants and conditions of the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by Developer, as Trustor, naming U.S. Bank, National Association, as beneficiary securing the Multifamily Note as more fully set forth in the Subordination Agreement between ZB, N.A. dba California Bank & Trust and Authority. 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.

[Signatures continued on next page.]

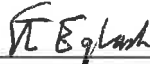
DEVELOPER:

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

By: Ocean Park Community Center,
DBA The People Concern,
a California Nonprofit Public Benefit Corporation,
Its Managing General Partner

By: _____
John Maceri
Executive Director

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

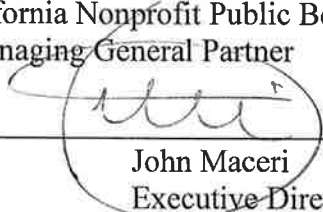
By: _____

Steven Eglash
Managing Member

DEVELOPER:

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

By: Ocean Park Community Center,
DBA The People Concern,
a California Nonprofit Public Benefit Corporation,
Its Managing General Partner

By: _____

A handwritten signature in cursive script, appearing to read "John Maceri", is written over a horizontal line. The signature is enclosed within a circular stamp or seal.

John Maceri
Executive Director

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

By: _____

Steven Eglash
Managing Member

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 October 23, 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 32nd Street West and Avenue I Lancaster, California. However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Authority Loan Deed of Trust on the Subject Property as described on Exhibit A.

ARTICLE II. OBLIGATIONS SECURED

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

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

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

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

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

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

2.3 Incorporation. All terms of the Secured Obligations and the document evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if applicable and provided therein, that: (a) the Note may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.

ARTICLE III. ASSIGNMENT OF LEASES AND RENTS

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

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

3.3 Effect of Assignment. The foregoing irrevocable Assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Subject Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Subject Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Subject Property; or for any negligence in the management, upkeep, repair or control of the Subject Property resulting in loss or injury or death to any lessee, licensee, employee, invitee or other person. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (i) the exercise or failure to exercise any of the rights, remedies or powers

granted to Beneficiary hereunder or; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation, duty or liability of Trustor arising under the Leases.

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

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

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

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

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

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

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

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

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

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

bid and become purchaser at any such sales; and

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

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

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

ARTICLE V. RIGHTS AND DUTIES OF THE PARTIES

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

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

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

5.4 Liens, Encumbrances and Charges. Trustor shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Authority Loan Deed of Trust. Trustor shall pay when due all obligations secured by or reducible to liens

and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Subject Property or any interest therein, whether senior or subordinate hereto.

5.5 Damages, Insurance and Condemnation Proceeds.

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

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

5.6 Maintenance and Preservation of the Subject Property. Trustor covenants: (a) to insure the Subject Property against such risks as Beneficiary may reasonably require and, at Beneficiary's reasonable request, to provide evidence of such insurance to Beneficiary's, and to comply with the requirements of any insurance companies insuring the Subject Property; (b) to

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

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

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

5.9 Compensation: Exculpation; Indemnification.

(a) Trustor shall pay Trustee's reasonable fees and reimburse Trustee for reasonable expenses in the administration of this trust, including reasonable attorneys' fees. Trustor shall pay to Beneficiary reasonable compensation for services rendered concerning this Authority Loan Deed of Trust, including without limit any statement of amounts owing under any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Trustor or any

other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Authority Loan Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under to the Subject Property or under this Authority Loan Deed of Trust; or (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Subject Property after a Default or from any other act or omission of Beneficiary in managing the Subject Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Trustor.

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

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

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

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

5.12 Releases, Extensions, Modifications and Additional Security. Without notice

to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under the Secured Obligations (“Interested Parties”), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Subject Property and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of this Authority Loan Deed of Trust upon the Subject Property.

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

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

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

ARTICLE VI. DEFAULT PROVISIONS

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

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

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

(b) With or without notice, and without releasing Trustor from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Default of Trustor and, in connection therewith, to enter upon the Subject Property and do such acts and things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Authority Loan Deed of Trust or the rights or powers of Beneficiary or Trustee under this Authority Loan Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority to this Authority Loan Deed of Trust, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under this Authority Loan Deed of Trust; or (v) to employ counsel, accountants, contractors, and other appropriate persons.

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

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

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

(f) To execute a written notice of such Default and of its election to cause the Subject Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Subject Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States,

payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Subject Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Subject Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Subject Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale;

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

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

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

provisions of Code of Civil Procedure Section 580(b).

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

6.4 Application of Other Sums. All sums received by Beneficiary under Section 6.2 or Section 3.1, 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
6330 Variel Avenue, Suite 201
Woodland Hills, 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, the Note, this Authority Loan Deed of Trust, the Declaration, that certain Residential Declaration of Conditions, Covenants and Restrictions and Regulatory Agreement, and that certain Declaration of Conditions, Covenants and Restrictions for the Ocean Park Community Center, a nonprofit public benefit corporation, 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 338
Palm Beach, Florida 334380

Attention: Brian Goldberg
Telephone: (561)833-5050
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
With a copy to:

Kutak Rock, LLP
1650 Farnam Street
Omaha, NE 68102
Attn: Shane Deaver, Esq.

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.

7.14 Tax Credit Provisions. Notwithstanding anything to the contrary contained in the Authority Loan Documents, the following provisions shall apply for as long as Investor Limited Partner is a limited partner of Trustor:

(a) **Notice and Cure.** Investor Limited Partner shall have the right, but not the obligation, to cure any default by Trustor under the Loan Documents, and Trustee agrees to accept any such cure tendered by Investor Limited Partner within any applicable grace period or cure period available to Borrower.

(b) **Permitted Transfers.** The following shall be permitted without consent of Trustee or Beneficiary and shall not constitute an event of default or result in any fee: (i) the transfer by the Investor Limited Partner of all or any portion of its interest in Trustor to any other entity which is an

affiliate of Investor Limited Partner or its members, any other entity which is controlled by or under common control with Alliant, Inc., or any entity which is sponsored by Investor Limited Partner or Alliant, Inc.; (ii) the removal and replacement of the general partner of the Trustor in accordance with the Trustor's Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), and/or (iii) an amendment of the Partnership Agreement memorializing the transfers or removal described above.

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

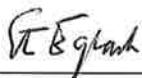
DEVELOPER:

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

By: Ocean Park Community Center,
DBA The People Concern,
a California Nonprofit Public Benefit Corporation,
Its Managing General Partner

By: _____
John Maceri
Executive Director

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

By:  _____
Steven Eglash
Managing Member

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)
County of Los Angeles)
On October 16, 2018 before me, Linda J. Gonzalez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Steven Eglach
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Loan Agreement Document Date: October 23, 2018
Number of Pages: 59 Signer(s) Other Than Named Above: no other signers

Capacity(ies) Claimed by Signer(s)

Signer's Name: Steven Eglach
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: InSite Development, LLC

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

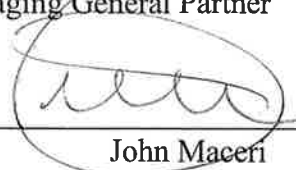
IN WITNESS WHEREOF, Trustor has executed this Authority Loan Deed of Trust as of the day and year set forth above.

DEVELOPER:

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

By: Ocean Park Community Center,
DBA The People Concern,
a California Nonprofit Public Benefit Corporation,
Its Managing General Partner

By: _____



John Maceri
Executive Director

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

By: _____

Steven Eglash
Managing Member

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)

County of Los Angeles)

On October 16, 2018 before me, Patricia Lopez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared John Maceri
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

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: _____ EB
Executive Director
Mark V. Bozigian

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LANCASTER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 82267, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 398, PAGES 46 THROUGH 50 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE ANY PORTION LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND, AS EXCEPTED AND RESERVED BY THE LANCASTER HOUSING AUTHORITY IN DEED RECORDED MARCH 29, 2018, AS INSTRUMENT NO. 20180299928, OF OFFICIAL RECORDS OF SAID COUNTY.

APN: 3107-012-905 PORTION

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 **WHEN LIFE HANDS YOU LEMONS, LP**, a California limited partnership (the “Covenantor”), as of the 23rd day of October 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 October 23, 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 Section 100 of the Agreement, 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 the product of 30 percent times 80 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 80 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 Seven Hundred Thousand Dollars (\$700,000) 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 Agreement.

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

“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 October 23, 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 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 Exhibit A attached hereto 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 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 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, 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 Covenantor 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 Covenantee, which approval the Covenantee may grant, withhold or deny in its sole and absolute discretion. If at any time Covenantor fails to maintain the Property in accordance with the Agreement or this Declaration and such condition is not corrected within ten (10) days after written notice from the Covenantee (with a copy to the then existing lenders for the project) with respect to graffiti, debris, waste material, and general maintenance, or thirty days (or such longer period of time as is reasonably necessary to correct the condition) after written notice from the

Covenantee with respect to landscaping and building improvements, then the Covenantee, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Property and perform all acts and work reasonably necessary to protect, maintain, and preserve the Improvements and landscaped areas on the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Covenantee and/or costs of such cure, including a five percent (5%) administrative charge, which amount shall be promptly paid by Covenantor to the Covenantee upon demand. The foregoing covenants shall run with the land for the term of the Affordability Period.

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

6. Long Term Management of the Property. The parties acknowledge that the Covenantee is interested in the long term management and operation of the Property and in the qualifications of any person or entity retained by the Covenantor for that purpose (the "Property Manager"). The Covenantee may from time to time review and evaluate the identity and performance of the Property Manager of the Property and the Property Manager's compliance with the provisions of the Agreement and this Declaration. If the Covenantee reasonably determines that the performance of the Property Manager is deficient based upon the standards and requirements set forth in the Agreement and this Declaration, the Covenantee shall provide notice to the Covenantor of such deficiencies and the Covenantor shall use its best efforts to correct or cause to be corrected such deficiencies. Upon Default of the terms of the Agreement or this Declaration by the Property Manager, the Covenantee shall have the right to require the Covenantor to immediately remove and replace the Property Manager with another property manager or property management company reasonably acceptable to the Covenantee. Such Property Manager shall be experienced in managing multifamily residential developments similar to the Project and shall not be related to or affiliated with the Covenantor. The foregoing covenants shall run with the land for the term of the Affordability Period.

7. Covenants Do Not Impair Lien. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Declaration shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest.

8. Conflict with Other Laws; Severability. In the event that any provision of this Declaration is found to be contrary to applicable law or any other provision of this Declaration, then the contrary provisions of this Declaration shall be deemed to mean those provisions which are enforceable and consistent with such laws and policies. The remaining portions of this Declaration shall be deemed modified in a manner which is consistent with the goals and intent of this Declaration to provide housing to Lower Income Residents as set forth in the Agreement. Every provision of this Declaration is intended to be severable. In the event any term or provision of this Declaration is declared by a court of competent jurisdiction to be unlawful, invalid or unenforceable for any reason, such determination shall not affect the balance

of the terms and provisions of this Declaration, which terms and provisions shall remain binding and enforceable.

9. Covenants For Benefit of City and Covenantee. All covenants without regard to technical classification or designation shall be binding for the benefit of the Covenantee and the City and such covenants shall run in favor of the Covenantee and the City for the entire period during which such covenants shall be in force and effect. such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper legal proceedings to enforce and to cure such breach to which it or any other beneficiaries of these covenants may be entitled during the term specified for such covenants, except the covenants against discrimination which may be enforced at law or in equity at any time in perpetuity.

10. Notices, Demands and Communications. Written notices, demands and communications between the Covenantor and the Covenantee shall be sufficiently given if delivered by hand or dispatched by registered or certified mail, postage prepaid, return receipt requested, as follows:

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

Covenantee: When Life Hands You Lemons, LP
6330 Variel Avenue, Suite 201
Woodland Hills, 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 Ocean Park Community Center, a nonprofit public benefit corporation, 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 338
Palm Beach, Florida 334380
Attention: Brian Goldberg
Telephone: (561)833-5050
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

With a copy to:

Kutak Rock, LLP
1650 Farnam Street
Omaha, NE 68102
Attn: Shane Deaver, Esq.

Such addresses for notice may be changed from time to time upon notice to the other party.

Any written notice, demand or communication shall be deemed received immediately if delivered by hand and shall be deemed received on the fifth (5th) calendar day from the date it is postmarked if delivered by registered or certified mail.

11. Expiration Date. This Declaration shall automatically terminate and be of no further force or effect upon the expiration of the Affordability Period, except as otherwise provided in this Declaration.

12. Covenantee Remedies. The occurrence of any Event of Default under this Declaration will, either at the option of the Covenantee or automatically where so specified, entitle the Covenantee to proceed with any and all remedies set forth in the Agreement, including but not limited to the following:

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

(b) Right to Cure at Covenantor's Expense. The Covenantee shall have the right to cure any monetary default by Covenantor under a loan or grant other than the

Authority Loan; provided, however, that if the Covenantor is in good faith contesting a claim of default under a loan and the Covenantee's interest under this Agreement is not imminently threatened by such default, the Covenantee shall not have the right to cure such default. The Covenantor agrees to reimburse the Covenantee for any funds advanced by the Covenantee to cure a monetary default by Covenantor upon demand therefore, together with interest thereon at the rate of ten percent (10%) per annum, from the date of expenditure until the date of reimbursement.

IN WITNESS WHEREOF, the Covenantor have caused this instrument to be executed on its behalf by its officers hereunto duly authorized as of the date set forth above.

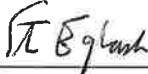
DEVELOPER:

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

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit
corporation,
Its Managing General Partner

By: _____
John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company
Its Co-General Partner

By:  _____
Steven Eglash
Managing Member

LANCASTER HOUSING AUTHORITY,
a public body, corporate and politic

By: _____ EB
Executive Director
Mark V. Bozigian

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)
County of Los Angeles)

On October 16, 2018 before me, Linda J. Gonzalez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Steven Eglash
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Loan Agreement Document Date: October 22, 2018
Number of Pages: 59 Signer(s) Other Than Named Above: no other signers

Capacity(ies) Claimed by Signer(s)

Signer's Name: Steven Eglash
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: Insite Development, LLC

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

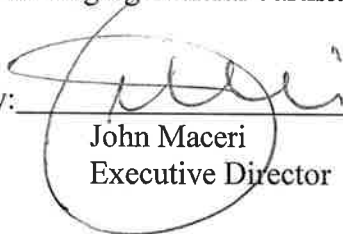
IN WITNESS WHEREOF, the Covenantor have caused this instrument to be executed on its behalf by its officers hereunto duly authorized as of the date set forth above.

DEVELOPER:

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

By: Ocean Park Community Center,
DBA The People Concern,
a California nonprofit public benefit
corporation,
Its Managing General Partner

By: _____


John Maceri
Executive Director

By: InSite Development, LLC,
a California limited liability company
Its Co-General Partner

By: _____

Steven Eglash
Managing Member

LANCASTER HOUSING AUTHORITY,
a public body, corporate and politic

By: _____

Executive Director
Mark V. Bozigian

EB

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)

County of Los Angeles)

On October 16, 2018 before me, Patricia Lopez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared John Maceri
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or 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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LANCASTER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 82267, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 398, PAGES 46 THROUGH 50 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE ANY PORTION LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND, AS EXCEPTED AND RESERVED BY THE LANCASTER HOUSING AUTHORITY IN DEED RECORDED MARCH 29, 2018, AS INSTRUMENT NO. 20180299928, OF OFFICIAL RECORDS OF SAID COUNTY.

APN: 3107-012-905 PORTION

M 1
10/23/18
MVB

**LANCASTER
CITY COUNCIL/SUCCESSOR AGENCY/
FINANCING/POWER/
CALIFORNIA CHOICE ENERGY AUTHORITY
MINUTES
October 9, 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 5:06 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, City Engineer; Parks, Recreation and Arts Director; Public Safety Director, Finance Director; Housing Director

INVOCATION

Pastor Jeff Berg, Lutheran Church of the Master

PLEDGE OF ALLEGIANCE

Vice Mayor Crist

PRESENTATIONS

1. Declaration of October 10th as World Homeless Day
Presenter: Mayor Parris
2. Streets of Lancaster Guns vs. Hoses Race Winner Presentation
Presenters: Mayor Parris and Parks, Recreation & Arts Director, Ronda Perez

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

October 9, 2018

M 1. MINUTES

On a motion by Vice Mayor Crist and seconded by Council Member Mann 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 September 25, 2018, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CITY COUNCIL CONSENT CALENDAR

On a motion by Vice Mayor Crist and seconded by Council Member Underwood-Jacobs, the City Council approved the Consent Calendar, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

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 September 9, 2018, through September 22, 2018 in the amount of \$6,179,904.07 as presented.

CC 3. SITE PLAN REVIEW NO. 05-23, ANNEXATION NO. 15-03, ACCEPTANCE OF IMPROVEMENTS (DRAINAGE MAINTENANCE DISTRICT)

Approved and accepted for maintenance the work and materials for the drainage improvements for the following Drainage Maintenance District annexation, installed by the developer of the subject project:

<u>Project</u>	<u>Annexation No.</u>	<u>Location/Owner</u>
Site Plan Review No. 05-23	15-03	Southwest corner of 30 th Street West and Future Avenue H-10 Owner: Copper Square Apartments, LP

The drainage improvements for this project have been installed by the developer according to the approved plans and specifications. The improvements have been inspected and found to be satisfactory to the Development Services Director.

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

October 9, 2018

CC 4. SITE PLAN REVIEW NO. 14-05, PRIVATE CONTRACT NO. 16-02 AND SITE PLAN REVIEW NO. 05-23, PRIVATE CONTRACT NO. 15-03, ACCEPTANCE OF IMPROVEMENTS (SEWER)

Approved the following developer installed sanitary sewers and accepted the sewers for maintenance by the City and for public use:

<u>Project No.</u>	<u>Private Contract No.</u>	<u>Location/Owner</u>
Site Plan Review No. 14-05	16-02	60 th Street West and Avenue L-4 Owner: Lane Ranch Plaza, LLC
Site Plan Review No. 05-23	15-03	30 th Street West and Avenue I Owner: Copper Square Apartments, LP

The listed sanitary sewers have been constructed and completed by the developers according to the approved plans and specifications. The work has been inspected and found to be satisfactory to the Development Services Director.

CC 5. SITE PLAN REVIEW NO. 14-05 AND SITE PLAN REVIEW NO. 05-23, ACCEPTANCE OF IMPROVEMENTS (STREETS)

Approved the developer constructed streets on the following projects. In addition, accepted the streets for maintenance by the City and for public use.

<u>Project</u>	<u>Location/Owner</u>
Site Plan Review No. 14-05	60 th Street West and Avenue L-6 Owner: Lane Ranch Plaza, LLC
Site Plan Review No. 05-23	30 th Street West and Avenue I Owner: Copper Square Apartments, LP

The streets have been constructed and completed by the developers according to the approved plans and specifications. The work has been inspected and found to be satisfactory to the Development Services Director.

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

October 9, 2018

**CC 6. SITE PLAN REVIEW NO. 14-05 AND SITE PLAN REVIEW NO. 05-23,
ACCEPTANCE OF IMPROVEMENTS (WATER)**

Approved the completed water systems installed by the developers for the following projects:

<u>Project</u>	<u>Location/Owner</u>
Site Plan Review No. 14-05	60 th Street West and Avenue L-6 Owner: Lane Ranch Plaza, LLC
Site Plan Review No. 05-23	30 th Street West and Avenue I Owner: Copper Square Apartments, LP

The water systems for these projects have been constructed and completed to the satisfaction of the local water purveyor, Los Angeles County Waterworks District No. 40-04, Antelope Valley, and were constructed according to the approved plans and specifications. Additionally, the work has been inspected and found to be satisfactory to the Development Services Director.

CC 7. RESOLUTION NO. 18-50

Adopted **Resolution No. 18-50**, declaring the City's intention to summarily vacate and abandon offer to dedicate street rights-of-way along the north side of Avenue J-8 from 80th Street West to 82nd Street West, 81st Street West from Avenue J-5 to 667 feet south of Avenue J-5, and the east side of 82nd Street West from Avenue J-5 to Avenue J-8.

CC 8. RESOLUTION NO. 18-51

Adopted **Resolution No. 18-51**, declaring the City's intention to summarily vacate and abandon rights-of-way along south side of Avenue J-8 from 80th Street West to Future 77th Street West.

CC 9. RESOLUTION NO. 18-52

Adopted **Resolution No. 18-52**, declaring the City's intention to summarily vacate and abandon offer to dedicate rights-of-way on the south side of Avenue J-8 from 80th Street West to 82nd Street West, and the west side of 80th Street West from Avenue J-8 to 665 feet South of Avenue J-8.

CC 10. RESOLUTION NO. 18-53

Adopted **Resolution No. 18-53**, declaring the City's intention to summarily vacate and abandon offers to dedicate street rights-of-way for locations at Avenue K from 85th Street West to 80th Street West.

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

October 9, 2018

NB 1. ADDITION OF CHAPTER 2.40.045 TO THE LANCASTER MUNICIPAL CODE RELATING TO THE ELECTRONIC AND PAPERLESS FILING OF FAIR POLITICAL PRACTICES COMMISSION CAMPAIGN DISCLOSURE STATEMENTS

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 Mann, the City Council introduced **Ordinance No. 1051**, adding Chapter 2.40.045 to the Lancaster Municipal Code relating to electronic and paperless filing of Fair Political Practices Commission Campaign Disclosure Statements, by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

NB 2. FIRST AMENDMENT OF THE AMENDED AND RESTATED ANTELOPE VALLEY TRANSIT AUTHORITY (AVTA) JOINT EXERCISE OF POWERS AGREEMENT (JPA)

The City Attorney presented the staff report regarding this item.

Discussion among the City Council and staff included discussion of allowing each entity to appoint two Directors without the requirement that both appointees be elected officials. Discussion of the history leading up this change took place including discussion of what is required of the Directors when they are on the Board. Mayor Parris discussed potentially changing the Directors to be one elected official and one individual from the public to allow greater opportunity for participation from the public. Further discussion took place to request that the AVTA Board change the JPA in the future to provide that future appointments from each city will be similar to Los County's appointee who is not an elected official.

On a motion by Vice Mayor Crist and seconded by Council Member Malhi, the City Council approved the amended language to the Antelope Valley Transit Authority ("AVTA") Joint Powers Agreement ("AVTA JPA") as follows: "The Cities shall each appoint to the Board two designated directors from their respective City Council members and one or more alternate directors (who is not required to be a City Council member). The Supervisor on the Los Angeles County Board of Supervisors who represents some or all of the Antelope Valley shall appoint to the Board two designated directors and one or more alternate directors.", by the following vote: 5-0-0-0; AYES: Malhi, Mann, Underwood-Jacobs, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CR 1. COUNCIL REPORTS

Council Member Mann stated a report will be provided by Destination Lancaster after the first of the year.

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

October 9, 2018

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.

COUNCIL/COMMISSION COMMENTS

Mayor Parris stated the City Manager has decided to leave his position as City Manager and discussed the success of the City associated with his hard work.

Mayor Parris announced the new City Manager will be recruited from “in-house” candidates; the members of the City Council agreed with this.

Planning Commissioner Chairman Vose thanked the City Council for their support in the work the Commission does.

Discussion took place regarding cameras with license plate readers and placing cameras on Lancaster Blvd.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

The City Manager discussed the work he has been involved in over the past ten years and thanked the Council for their continued support.

The City Manager thanked the staff for the hard work related to the Streets of Lancaster event, specifically the Parks, Recreation & Arts Department and the Public Safety Department. Two videos covering the upcoming Pow Wow event and recent actions taken by two Lancaster Sheriff Deputies were shown.

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.

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

October 9, 2018

PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

Addressing the City Council at this time:

Fran Sereseres – thanked the deputies for the help they gave the woman shown in the video earlier in the meeting; encouraged the public to attend the Homeless Impact Commission meetings.

David Paul – discussed the story of the Sheriff Deputies and the 2008 General Municipal Election.

ADJOURNMENT

Mayor/Chair Parris adjourned the meeting at 6:00 p.m. and stated the next City Council/Successor Agency/Financing/Power/California Choice Energy Authority meeting will be held on Tuesday, October 23, 2018 at 5:00 p.m.

PASSED, APPROVED and ADOPTED this 23rd day of October, 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

October 9, 2018

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

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

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

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

(seal)

STAFF REPORT
City of Lancaster

Date: October 23, 2018
To: Mayor Parris and City Council Members
From: Pam Statsmann, Finance Director
Subject: **Check Registers – September 23, 2018 through October 06, 2018**

CC 2
10/23/18
MVB

Recommendation:

Approve the Check Registers as presented.

Fiscal Impact:

\$ 6,874,024.48 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.:	7398403-7398737	\$ 1,834,811.75
ACH/Wire Check Nos.:	101010166-101010175	<u>\$ 5,039,212.73</u>
		\$ 6,874,024.48
Voided Check No.:	7398416; 7398426	
Voided ACH/Wire No.:	N/A	

PS:sp

Attachments:

Check Register
ACH/Wire Register

City of Lancaster Check Register



From Check No.: 101010166 - To Check No.: 101010175

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:39

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
101010166	07172	ENERGY AMERICA, LLC	07/18-LCE ENERGY CHARGES	4,458,064.28	490 4250301	47,336.48
					490 4250653	2,350.00
					490 4250653	4,408,377.80
				<u>4,458,064.28</u>		<u>4,458,064.28</u>
101010167	07936	WESTERN ANTELOPE DRY RANCH LLC	08/18-LCE ENERGY CHARGS-SPOWER	137,228.46	490 4250653	137,228.46
101010168	00370	CITY OF LANCASTER/PETTY CASH	SOL-PETTY CASH	350.00	101 1020004	350.00
101010169	08939	SG2 IMPERIAL VALLEY LLC	11/18-CAPACITY PRODUCT	7,500.00	490 4250653	7,500.00
101010170	01550	KAISER FOUNDATION HEALTH PLAN	10/18-EMPLOYEE HEALTH INS	216,795.18	101 2166130	1,562.86
					101 2166130	194,860.96
					109 1101000	20,371.36
				<u>216,795.18</u>		<u>216,795.18</u>
101010171	01708	BLUE CROSS OF CALIFORNIA	10/18-EMPLOYEE HEALTH INS	95,941.45	101 2166110	60,296.19
					101 2166115	12,702.10
					101 2166120	15,463.32
					109 1101000	7,479.84
				<u>95,941.45</u>		<u>95,941.45</u>
101010172	01708	BLUE CROSS OF CALIFORNIA	10/18-RETIREE HEALTH INS	64,109.18	109 1101000	64,109.18
101010173	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH DRAW	960.00	101 1020000	960.00
101010174	00370	CITY OF LANCASTER/PETTY CASH	PETTY CASH EXPENSE	414.18	101 4100202	62.60
					101 4220301	26.58
					101 4700202	20.00
					101 4700202	35.00
					101 4700202	105.00
					480 4755202	60.00
					480 4755202	105.00
				<u>414.18</u>		<u>414.18</u>
101010175	07732	3 PHASES RENEWABLES INC	LCE-08/18-RESOURCE CAPACITY	57,850.00	490 4250653	57,850.00
Chk Count	<u>10</u>			Check Report Total	<u>5,039,212.73</u>	

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737
 From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398403	06066	A T & T	DOJ-08/18-TELEPHONE SERVICE	100.85	101 4315651	100.85
7398404	09134	BLANCO, ELISA B	TERMINATION OF LEASE AGREEMENT	6,000.00	109 4430300	6,000.00
7398405	06699	BOOKER, MELVIN JR	SOL-PERF-MUSIC-09/29/18	400.00	101 4649568	400.00
7398406	02279	BRUBAKER, ELIZABETH	EB-MILAGE-ALHAMBRA-09/19/18	83.87	306 4542203	83.87
7398407	C2060	CA WATER SERVICE COMPANY	08/08/18-09/14/18 WATER SVC	4,387.30	482 4636654	4,387.30
7398408	07642	CHISOM, TOI	TC-PR DM-LNG BEACH-09/12-14/18	263.33	101 4220256	103.33
					101 4220256	160.00
				<u>263.33</u>		<u>263.33</u>
7398409	05510	CITY OF LANCASTER	DR-HNR8-E AVE H13/3RD-4TH ST	4,928.00	361 4541901H	4,928.00
7398410	05510	CITY OF LANCASTER	DR-HNR5-10TH ST W/H8-H12	6,160.00	361 4541901N	6,160.00
7398411	05510	CITY OF LANCASTER	TTM-SRR HWY-HNR4-318 LOTS	35,851.00	361 4541904S	10,982.00
					361 4541904S	12,095.00
					361 4541904S	12,774.00
				<u>35,851.00</u>		<u>35,851.00</u>
7398412	D1706	COTE, GERALD	SOL-DJ SERVICES-09/28-30/18	1,900.00	101 4649568	1,900.00
7398413	D3792	DEFALCO, CATHY	CD-PR DM-PICO RVRA-09/24-26/18	160.00	490 4250201	160.00
7398414	07641	DURON, ROBERT M	SOL-PERF-MUSIC-09/28/18	600.00	101 4649568	600.00
7398415	A8170	EXTENSIONS PERF ARTS ACADEMY	TCKT PRCDS-EXTENSIONS-07/21/18	471.00	402 3405100	471.00
7398416		VOID				
7398417	07023	FULCO, JOSEPH D	SOL-PERF-MUSIC-09/29/18	800.00	101 4649568	800.00
7398418	1296	L A CO CLERK-ENVIRO FILINGS	NOE:CP18006-2018 STREET RPAIRS	75.00	206 12ST036924	75.00
7398419	D0782	L A CO FIRE DEPT	SOL-FIELD PERMITS-CART RACING	314.00	101 4649568	314.00
7398420	C5747	L A CO FIRE DEPT	HAZ MAT DISCLOSURE-AR0019121	549.00	101 4631311	549.00
7398421	C5747	L A CO FIRE DEPT	HAZ MAT DISCLOSURE-AR0068150	549.00	101 4631311	549.00
7398422	1215	L A CO WATERWORKS	07/11/18-09/13/18 WATER SVC	3,377.51	203 4636654	309.61
					482 4636654	3,067.90
				<u>3,377.51</u>		<u>3,377.51</u>

City of Lancaster Check Register



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Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398423	D2287	LANCASTER CODE ENFRMNT ASSN	UNION DUES-PP 19-2018	330.00	101 2171000	330.00
7398424	A2073	LANCASTER PERF ARTS CNTR FNDTN	MONIES OWED ON ACCOUNT	152.00	101 2102600	152.00
7398425	09133	LIVINGSTON, MIKE	RFND-EMPLOYEE EXPENSE OVRPYMNT	6.99	101 1110000	6.99
7398426	VOID					
7398427	09114	ORTIZ, ROSEMARY	RFND-MASSAGE THERAPST RNWL FEE	113.00	101 2179004	4.00
					101 3102200	109.00
				<u>113.00</u>		<u>113.00</u>
7398428	A7221	P E R S LONG TERM CARE PROGRAM	LONG TERM CARE PREM-PP 19-2018	1,542.69	101 2170200	1,542.69
7398429	03154	SO CA EDISON	06/26/18-09/19/18 ELECTRIC SVC	793.52	203 4636652	135.49
					482 4636652	323.16
					483 4785660	334.87
				<u>793.52</u>		<u>793.52</u>
7398430	1907	SO CA GAS COMPANY	08/15/18-09/19/18 GAS SVC	1,358.37	101 4631655	651.72
					101 4632655	603.83
					101 4633655	37.03
					101 4634655	35.10
					101 4635655	30.69
				<u>1,358.37</u>		<u>1,358.37</u>
7398431	C2555	TIME WARNER CABLE	09/09-10/08/18-BASIC TV	28.53	101 4315651	28.53
7398432	C6381	TONEMAN DEVELOPMENT CORP	RFND-ECR18-02429 EXTNSN FEE	2,186.00	251 3201120	435.00
					251 3201120	1,751.00
				<u>2,186.00</u>		<u>2,186.00</u>
7398433	D3370	VERIZON WIRELESS	08/18-IPAD SERVICE	3,618.07	101 4315651	3,618.07
7398434	C2434	VINSA INSURANCE ASSOCIATES	SOL-POLICY RNWL-09/26-10/01/18	4,253.00	101 4649568	4,253.00
7398435	07614	WILSON, ALASTAIR C	SOL-PERF-MUSIC-09/28/18	500.00	101 4649568	500.00
7398436	07614	WILSON, ALASTAIR C	SOL-AUDIO SVCS-09/28-29/18	1,400.00	101 4649568	1,400.00
7398437	00116	A V ENGINEERING	2019 REVIVE 25 PAVEMENT PROGRM	38,098.75	206 12ST036924	11,429.63
					209 12ST036924	26,669.12
				<u>38,098.75</u>		<u>38,098.75</u>
7398438	03854	A V JANITORIAL SUPPLY	PBP-CAN LINERS(6 CASES) AHP-JANITORIAL SUPPLIES	223.82 1,837.96	101 4631406 101 4631406	223.82 1,837.96
				<u>2,061.78</u>		<u>2,061.78</u>
7398439	D1965	A V NARCOTICS ANONYMOUS	RFND-RNTL DEP-PY CREDIT	100.00	101 2182001	100.00
7398440	00107	A V PRESS	07/18-LEGAL ADS	5,900.80	101 4210263	1,198.64

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
					101 4770263	2,537.58
					217 16ST005924	1,082.29
					217 16ST006924	1,082.29
				5,900.80		5,900.80
7398441	06099	A V RECYCLING CENTER	TRANSFER SHIPPING CONTAINERS	700.00	101 4649568	700.00
7398442	07596	ABBOTT, STRINGHAM & LYNCH	LCE-PROFESSIONAL SVCS-08/18	6,000.00	491 4250002P	6,000.00
7398443	08820	ACCOUNTING PRINCIPALS INC	KR-FINANCE STAFF-08/02-10/18	3,723.30	101 4410308	3,723.30
			KR-FINANCE STAFF-08/13-24/18	4,619.65	101 4410308	4,619.65
			KR-FINANCE STFF-08/29-09/07/18	3,499.21	101 4410308	3,499.21
				11,842.16		11,842.16
7398444	06123	ACE AIR CONDITIONING & HEATING	MTNC YD-COOLER REPAIRS	325.00	203 4752402	325.00
			CDR ST-SERVICE CALL	150.00	101 4633402	150.00
				475.00		475.00
7398445	08894	ADHERENCE COMPLIANCE	MEDICAL CANNABIS SUPPORT SVCS	2,250.00	101 4230301	2,250.00
			MEDICAL CANNABIS SUPPORT SVCS	1,750.00	101 4230301	1,750.00
				4,000.00		4,000.00
7398446	05694	ADVANTEC CONSULTING ENGINEERS	CP17001-RURAL INTERSCTN SAFETY	2,600.00	101 4785301	2,600.00
			CP17001-RURAL INSPECTN SAFETY	550.00	101 4785301	550.00
				3,150.00		3,150.00
7398447	C6143	AMERICAN BUSINESS MACHINES	STAPLE CARTRIDGES(2)	12.10	101 4600259	12.10
7398448	D3147	AMERICAN PLUMBING SERVICES, INC	JRP-QUICK CONNECT INSTALLATION	190.00	101 4631402	190.00
			RDP-TOILET REPAIR	153.45	101 4634402	153.45
			WCP-UNCLOG PLUMBING LINES	285.00	101 4631402	285.00
				628.45		628.45
7398449	04190	AMERIPRIDE SERVICES	UNIFORM CLEANINGS	51.34	101 4753209	51.34
7398450	02693	ANDY GUMP, INC	OMP-FENCE RNTL-09/03-30/18	44.68	101 4634602	44.68
			FENCE RENTAL-08/15-27/18	1,208.24	203 4752602	1,208.24
			RDP-FENCE RNTL-09/07-10/04/18	33.51	101 4634602	33.51
				1,286.43		1,286.43
7398451	08701	APPLE VALLEY CHOICE ENERGY	09/18-CAPACITY PRODUCT	2,000.00	490 4250653	2,000.00
7398452	09106	AYALA, LESLIE	RFND-PY CREDIT ON ACCOUNT	8.18	101 2182001	8.18
7398453	07205	BARNEY'S BLENDS, INC	RDP-MOUND CLAY	699.40	101 4634404	699.40
7398454	09107	BEILSTEIN, MEAGAN	RFND-PY CREDIT ON ACCOUNT	70.00	101 2182001	70.00
7398455	09108	BROWN, TIFFANY	RFND-PY CREDIT ON ACCOUNT	100.00	101 2182001	100.00
7398456	D2681	CASON, ROGER	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398457	04636	CAYENTA/N HARRIS COMPUTER CORP	09/18-CMS	4,007.15	101 4315302	4,007.15
7398458	06899	CELESTINE, SHACOYA	RFND-CLASS REGISTRATION	60.00	101 2182001	60.00
7398459	D2070	CONFIDENTIAL DATA DESTRUCTION	DOCUMENT DESTRUCTION	105.00	101 4200301 101 4220301 101 4400259 101 4600259 101 4700259 101 4800301	17.50 17.50 17.50 17.50 17.50 17.50
				<u>105.00</u>		<u>105.00</u>
7398460	09109	CUT UPS	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398461	09078	CYBERCODERS, INC	CONSULTING SERVICES	1,268.50	101 4315301	1,268.50
7398462	04677	D C F SOILS	OMP-TOP SOIL(20 YDS)	372.30	101 4634404	372.30
7398463	08018	DANIELIAN ASSOCIATES INC	08/18-PROFESSIONAL SERVICES	32,000.00	361 4541901S	32,000.00
7398464	06809	DEAR LIFE ENTERPRISES	ZELDAS-PERF-MUSIC-09/15/18	300.00	101 4652251	300.00
7398465	09110	DESERT COMMERCIAL	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398466	A0925	DESERT HAVEN ENTERPRISES	TOYS R US BOARD UP	410.00	101 4545940	410.00
7398467	00414	DESERT LOCK COMPANY	WPL-RESTROOL DOOR REPAIR WPL-PULL HANDLE REPAIR KEYS(4) MOAH-LOCK/CYLINDER/KEYS LOCKS(8)	67.45 85.00 15.33 267.18 164.25 <u>599.21</u>	101 4631402 101 4631402 101 4631207 101 4633403 101 4649568	67.45 85.00 15.33 267.18 164.25 <u>599.21</u>
7398468	05473	DEWEY PEST CONTROL	PAC-09/18-PEST CONTROL MTNC YD-09/18-PEST CONTROL CDR ST-09/18-PEST CONTROL LUC-09/18-PEST CONTROL LBP-09/18-PEST CONTROL	50.00 137.00 90.00 75.00 95.00 <u>447.00</u>	101 4650301 203 4752301 101 4633301 101 4633301 101 4636301	50.00 137.00 90.00 75.00 95.00 <u>447.00</u>
7398469	06150	DIRECTV	MOAH-09/18-BUSINESS INFO	103.24	101 4315651	103.24
7398470	08643	EARTH SYSTEMS PACIFIC	WCP/AVE H-SRRA HWY IN-FILL	11,150.00	361 4541900	11,150.00
7398471	06857	ENTERTAINMENTMAX, INC	COMMISSNS-DAVID SPADE-09/08/18 COMMISSNS-ALAN PARSONS-09/14/18	3,000.00 3,000.00 <u>6,000.00</u>	402 4650301 402 4650301	3,000.00 3,000.00 <u>6,000.00</u>
7398472	06380	EWING IRRIGATION PRODUCTS, INC	LMS-FERTILIZER	708.82	101 4632404	708.82
7398473	C8113	F J HEATING & AIR CONDITIONING	1036 W J5-COOLER INSTALLATION	1,300.00	306 4542355	1,300.00

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398474	A9988	FIRE ACE INC	PAC-BEVERAGES	76.85	101 4650251	76.85
7398475	D1793	FISH WINDOW CLEANING	CH-WINDOW CLEANINGS-08/31/18	317.00	101 4633402	317.00
7398476	09111	FOX, MARCELLE	RFND-PY CREDIT ON ACCOUNT	25.00	101 2182001	25.00
7398477	C9194	GAIL MATERIALS	LMS-FIELD SAND	4,131.27	213 12BS014924	4,131.27
7398478	08536	GIBSON MUSIC STUDIO	ZELDAS-PERF-MUSIC-09/13/18	200.00	101 4652251	200.00
7398479	07212	GINO'S ITALIAN RESTAURANT	ZELDAS-BARTENDER-09/19/18	140.00	101 4652308	140.00
7398480	09112	GINN-COOK, PAMELA	RFND-PY CREDIT ON ACCOUNT	40.00	101 2182001	40.00
7398481	C9980	GRANICUS, INC	01/18-SDI 720P STREAMNG UPRDE 01/18-GOVRMNT TRANSPRNCY SUITE	200.00 1,677.14	101 4305296 101 4305402	200.00 1,677.14
				<u>1,877.14</u>		<u>1,877.14</u>
7398482	08753	GRIFFCO PAINTING	OMP-RESTROOM PAINTING	800.00	207 4634402	800.00
7398483	09113	GUENTHER, JEFF	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398484	09115	IN FOCUS ADVERTISING	RFND-PY CREDIT ON ACCOUNT RFND-PY CREDIT ON ACCOUNT	1,547.00 453.00	101 2182001 101 2182001	1,547.00 453.00
				<u>2,000.00</u>		<u>2,000.00</u>
7398485	09083	INT'L BUSINESS MACHINES CORP	WATSON DATA PLATFORM/ANALYTICS WATSON DATA PLATFORM SUPPORT	18,008.69 969.29	101 4200302 101 4200302	18,008.69 969.29
				<u>18,977.98</u>		<u>18,977.98</u>
7398486	06350	INTELESYS ONE	NETWORK HARDWARE	2,685.56	101 4315291	2,685.56
7398487	D4004	J P POOLS	WPL-CONSULTING/SERVICE EPL-CONSULTING/SERVICE TBP-SPLASH PAD CONSULTATION	1,000.00 1,200.00 1,120.00	101 4631301 101 4631301 101 4631301	1,000.00 1,200.00 1,120.00
				<u>3,320.00</u>		<u>3,320.00</u>
7398488	04476	J T B SUPPLY INC	LEDS(100)	3,818.25	483 4785461	3,818.25
7398489	03366	JAS PACIFIC	PLAN REVIEW/INSPECTION SVCS PLAN REVIEW/INSPECTION SVCS	7,260.69 875.00	251 4783301 251 4783301	7,260.69 875.00
				<u>8,135.69</u>		<u>8,135.69</u>
7398490	01419	JOHNSTONE SUPPLY	MTNC YD-THERMOSTAT	44.52	203 4752403	44.52
7398491	08895	JPW COMMUNICATIONS LLC	LCE-POSTCARD DESIGN CCEA-PRIME-POSTCARD DESIGN FALL 2018 OUTLOOK DESIGN	150.00 150.00 14,150.00	490 4250213 491 4250002P 101 4305301	150.00 150.00 14,150.00
				<u>14,450.00</u>		<u>14,450.00</u>
7398492	07532	KELLEY, MICHAEL R	CS-DJ SVCS-09/06/18	80.00	101 4649225	80.00

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398493	09105	KRAY INDUSTRIES	SOL-EVENT SHIRTS(80)	819.06	101 4649568	819.06
7398494	C5347	LA CONSULTING INC	08/18-PROFESSIONAL SERVICES	2,344.42	101 4753301	2,344.42
7398495	06873	MAHER ACCOUNTANCY	CCEA-08/18-ACCOUNTING SVCS	2,500.00	491 4370003P	2,500.00
			CCEA-08/18-ACCOUNTING SVCS	2,500.00	491 4370002P	2,500.00
			CCEA-08/18-ACCOUNTING SVCS	2,500.00	491 4370001P	2,500.00
			CCEA-08/18-ACCOUNTING SVCS	2,500.00	491 4370004P	2,500.00
				<u>10,000.00</u>		<u>10,000.00</u>
7398496	09116	MCGAUGHEY, YVONNE	RFND-PY CREDIT ON ACCOUNT	66.00	101 2182001	66.00
7398497	02270	MELDON GLASS	CH-WINDOW REPAIRS	180.00	101 4633402	180.00
7398498	09117	MERINO, ALEXUS	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398499	06966	MICHAEL BAKER INT'L INC	CP18001-REVIVE 25 PVMNT MNGMNT	1,486.25	206 12ST036924	891.75
					209 12ST036924	594.50
				<u>1,486.25</u>		<u>1,486.25</u>
7398500	D3578	MINUTEMAN PRESS	LCE-CALPINE CONF OPT OUTS2)	1.82	490 4250212	1.82
			LCE-CALPINE PUSH NOTICES(367)	260.11	490 4250212	260.11
			LCE-CALPINE PUSH NOTICES(289)	174.35	490 4250212	174.35
				<u>436.28</u>		<u>436.28</u>
7398501	08980	MONTGOMERY, WYNELL JAMES	ZELDAS-PERF-MUSIC-09/20/18	200.00	101 4652251	200.00
7398502	06543	MURREN, JAMES	09/18-ADMIN HEARINGS	50.00	101 4800301	50.00
7398503	09118	MYANGOS, LUIS	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398504	08562	NAPA AUTO PARTS	OIL FILTRS-EQ1750	7.34	486 4250207	7.34
			OIL/FUEL/AIR FILTRS-EQ5853	45.04	101 4635207	45.04
			OIL/FUEL/AIR FILTRS-EQ5853	45.04	101 4635207	45.04
			WATER PUMP-EQ7604	50.67	101 4761207	50.67
			AIR/OIL/FUEL FILTRS-EQ3981	71.35	483 4785207	71.35
			OIL FILTER-EQ4330	3.76	483 4785207	3.76
			OIL FILTER-EQ6815	3.67	101 4631207	3.67
			OIL FILTER-EQ7507	3.64	101 4783207	3.64
			OIL FILTER-EQ3760	3.71	203 4636207	3.71
			OIL/AIR FILTRS-EQ5703	15.80	101 4634207	15.80
			OIL FILTER-EQ3834	4.41	203 4752207	4.41
			OIL/AIR FLTR-WPR BLD-EQ5500	26.51	101 4783207	26.51
			OIL/AIR FILTRS-EQ7604	10.44	101 4761207	10.44
			OIL FILTER-EQ7607	3.71	480 4755207	3.71
			OIL/AIR FILTRS-EQ3989	20.30	480 4755207	20.30
			OIL/AIR FILTRS-EQ3991	13.04	480 4755207	13.04
			OIL FILTER-EQ5785	3.67	101 4633207	3.67
			OIL/FUEL/AIR FILTR-EQ3779	84.61	480 4755207	84.61
			AIR/FUEL/OIL FILTRS-EQ3783	109.97	203 4752207	109.97
			OIL/FUEL/AIR FILTRS-EQ3828	132.50	484 4752207	132.50

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			REGULATOR VALVE	38.86	101 4753402	38.86
			CONNECTORS(2)	17.66	101 4753402	17.66
				<u>715.70</u>		<u>715.70</u>
7398505	09119	NIETO, ANDREW	RFND-PY CREDIT ON ACCOUNT	60.00	101 2182001	60.00
7398506	06794	OPPORTUNITIES FOR LEARNING	RFND-PY CREDIT ON ACCOUNT	0.01	101 2182001	0.01
7398507	05741	P P G ARCHITECTURAL FINISHES	FAIR-FIELD PAINT	99.35	101 4631404	99.35
			MOAH-PAINT	84.37	101 4653251	84.37
			MOAH-PAINT/PRIMER	234.99	101 4653251	234.99
			MOAH-PAINT/TAPE	116.33	101 4653251	116.33
			MLS-PAINT PRIMER	13.23	101 4633403	13.23
				<u>548.27</u>		<u>548.27</u>
7398508	06984	PACIFIC DESIGN & INTEGRATION	COUNCIL CHAMBRHS HIGH DEF UPGRD	35,976.55	101 4305753	35,976.55
7398509	C9461	PAESANO, MARIA	RFND-PY CREDIT ON ACCOUNT	2.00	101 2182001	2.00
7398510	09120	PALACIO, LUZ	RFND-PY CREDIT ON ACCOUNT	3.00	101 2182001	3.00
7398511	09121	PARA, CRISTINA	RFND-PY CREDIT ON ACCOUNT	6.00	101 2182001	6.00
7398512	09122	PARK AVENUE SALON	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398513	05998	PAVING THE WAY FOUNDATION	CMMNTY SPPRT/GOOD CTZNSHP PRGM	450.00	101 4820301	450.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	5,500.00	101 4820301	5,500.00
			CMMNTY SPPRT/GOOD CTZNSHP PRGM	1,776.00	101 4820301	1,776.00
				<u>7,726.00</u>		<u>7,726.00</u>
7398514	A7779	PHIL BURKE RIGGING, INC	PAC-ARBO SERVICES	500.00	101 4650402	500.00
7398515	07287	PRINTING BOSS	PARK ORDINANCE SIGNS(15)	985.50	101 4631404	985.50
7398516	04361	PROTECTION ONE	LMS-09/18 ELEVATOR MONITORING	35.12	101 4632301	35.12
7398517	06607	PUMPMAN INC	07/18-06/19-PUMP MTNC-1ST INST	6,166.50	484 4755409	6,166.50
			07/18-06/19-QRTLTY PUMP MTNC	1,665.00	480 4755402	1,665.00
				<u>7,831.50</u>		<u>7,831.50</u>
7398518	D3160	RAULSTON, DAVID	AHP-GAZEBO SHRUB REMOVALS	865.00	101 4631402	865.00
7398519	08604	RICHARDSON, JANICE	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398520	05943	ROBERTSON'S	CONCRETE	450.24	203 4752410	450.24
7398521	09123	ROHRENBACK, PAMELA	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398522	D3947	S G A CLEANING SERVICES	EDP-GRAFFITI REMOVAL	395.00	101 4631402	395.00
			AHP-ELECTRICAL SOCKET REPAIRS	165.00	101 4631402	165.00
			AHP-GRAFFITI REMOVAL/PAINTING	370.00	101 4631402	370.00
			AHP-SIGN REPAIR/INSTALLATION	165.00	101 4631402	165.00

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			CH-PAINT BOLLARD LIGHT	135.00	101 4633402	135.00
				1,230.00		1,230.00
7398523	03962	SAFETY KLEEN	HAZ WASTE PARTS WASHER	141.41	101 4753657	141.41
7398524	A8260	SAGE STAFFING	EM-PARKS STAFF-09/03-07/18	240.25	101 4600308	240.25
			AM-PUBLIC SFTY STFF-09/03-07/18	571.52	101 4820308	571.52
			AT-LCE STAFF-09/03-07/18	801.60	490 4250308	801.60
				1,613.37		1,613.37
7398525	06180	SANTA CLARITA ELEVATORS	LMS-ADA COMPLIANT LIFT	12,264.00	227 11ZZ004924	12,264.00
7398526	08790	SECURE TASK	LGC-09/06-13/18-SECURTY PATROL	1,114.40	101 4240340	1,114.40
7398527	07139	SITEONE LANDSCAPE SUPPLY LLC	OMP-INSECTICIDE(15 BAGS)	605.06	101 4634404	605.06
7398528	09124	SMILE DENTAL	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398529	01816	SMITH PIPE & SUPPLY INC	MP-IRRIGATION SUPPLIES	514.85	101 4631404	514.85
			MP-WIRE CONNECTORS(20)	16.21	101 4631404	16.21
			PBP-PVC	11.03	101 4631404	11.03
			PBP-PVC	8.85	101 4631404	8.85
			MP-IRRIGATION SUPPLIES	367.39	101 4631404	367.39
			AHP-COUPLER VALVE	32.08	101 4631404	32.08
			EDP-IRRIGATION SUPPLIES	65.78	101 4631404	65.78
			EDP-PVC CAPS	3.14	101 4631404	3.14
			MP-IRRIGATION SUPPLIES	81.79	101 4631404	81.79
			LUC-TURF	118.26	101 4633404	118.26
			JRP-NOZZLES(25)	15.53	101 4631404	15.53
			OMP-COUPLER VALVE	59.58	101 4634404	59.58
				1,294.49		1,294.49
7398530	08988	SMITH, CHRISTINA	08/18-09/18 CONSULTING SRVCS	6,000.00	101 4300308	6,000.00
7398531	04688	SPARKLETTS	WATER(12-24PKS)	115.45	101 4100205	115.45
			WATER(10-24PKS)	97.04	101 4100205	97.04
				212.49		212.49
7398532	06429	STANTEC CONSULTING SRVCS INC	CP17005-PEDESTRIAN IMPROVEMNTS	7,293.75	210 15SW017924	7,293.75
			CP16004-10TH ST W IMPROVEMENTS	432.00	210 15BW008924	432.00
				7,725.75		7,725.75
7398533	D3733	STOTZ EQUIPMENT	LMS-TINES(48)	362.22	101 4634207	362.22
			LMS-AERATING TINES(36)	493.85	101 4634207	493.85
				856.07		856.07
7398534	D2143	STREAMLINE AUDIO VISUAL, INC	CS-AUDIO SERVICES-09/06/18	1,670.00	101 4649225	1,670.00
			PAC-AUDIO/VISUAL SERVICES	1,845.00	101 4650602	1,845.00
				3,515.00		3,515.00
7398535	06220	T R C SOLUTIONS, INC	CP13018-AVE K/SR14 INTERCHANGE	11,893.43	210 15BR004924	11,893.43

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398536	A6479	TAFT ELECTRIC COMPANY	AVE J-REPLACE LIGHTS	2,333.89	483 4785665	2,333.89
7398537	08177	TEKWERKS	10/18-REMOTE MONITORING/MNGMNT	1,355.00	101 4315402	1,355.00
7398538	08993	THE ART OF CHASE INC	MOAH-BAL-FLOOR MURAL INSTALLTN	525.00	206 4100205	525.00
7398539	C8400	THE GRAPHIC EXPERIENCE	MOAH:CEDAR-FRAMING SVCS	112.24	101 4651251	112.24
7398540	C7736	THIRD WAVE	IT STRATEGIC PLAN/ROADMAP	1,955.00	101 4315301	1,955.00
7398541	C5522	THOMSON REUTERS-WEST PMT CENT	08/18-INFORMATION CHARGES	794.69	101 4545301	794.69
7398542	D3099	TPX COMMUNICATIONS	09/18-TELEPHONE SERVICE	9,481.21	101 4315651	9,231.21
					490 4250651	250.00
				9,481.21		9,481.21
7398543	09125	TUCKER, ROGER	RFND-PY CREDIT ON ACCOUNT	17.00	101 2182001	17.00
7398544	09126	UEZA, NALLELY	RFND-PY CREDIT ON ACCOUNT	99.00	101 2182001	99.00
7398545	08783	UNIFIRST CORPORATION	UNIFORM CLEANINGS	157.62	480 4755209	157.62
7398546	09127	VALLEY CONSTRUCTION	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398547	09128	VALLEY VIEW CHURCH OF NAZARENE	RFND-PY CREDIT ON ACCOUNT	1.00	101 2182001	1.00
7398548	04496	VULCAN MATERIAL WESTERN DIV	COLD MIX	121.98	203 4752410	121.98
			SOL-ASPHALT	2,502.64	101 4649568	2,502.64
			SOL-ASPHALT	2,841.36	101 4649568	2,841.36
			COLD MIX	123.52	203 4752410	123.52
			COLD MIX	108.19	203 4752410	108.19
				5,697.69		5,697.69
7398549	31026	WAXIE SANITARY SUPPLY	MTNC YD-SCRUB HAND CLEANER	83.23	101 4753214	83.23
			MTNC YD-RECYCLING BINS(70)	383.25	101 4755355	383.25
			MTNC YD-PAPER TWL DISPENSER	22.12	203 4752406	22.12
				488.60		488.60
7398550	08496	WEJBE, LORI	RFND-PY CREDIT ON ACCOUNT	8.00	101 2182001	8.00
7398551	06344	AERO VIEW LLC	10/18-LEAPS SERVICES	89,991.00	101 4820301	89,991.00
7398552	07234	T C F EQUIPMENT FINANCE	FLEET VEHICLE LEASES(10)	57,057.72	104 4753762	57,057.72
7398553	2003	TIP TOP ARBORISTS, INC	08/18-TREE TRIMMING/REMOVAL	28,949.50	483 4636267	28,949.50
			08/18-TREE TRIMMING/REMOVAL	569.00	101 4631267	569.00
			08/18-TREE TRIMMING/REMOVAL	758.50	101 4634267	758.50
			08/18-TREE TRIMMING/REMOVAL	766.50	482 4636267	766.50
			08/18-TREE TRIMMING/REMOVAL	38,969.50	203 4636267	38,969.50
				70,013.00		70,013.00

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398554	05834	VENCO WESTERN, INC	07/18-PERIMETER AREAS MTNC	24,448.14	203 4636264	24,448.14
			07/18-MAINTENANCE SERVICES	43,518.52	482 4636402	43,518.52
			07/18-LBP-LANDSCAPE MTNC	3,626.23	482 4636401	3,626.23
			08/18-PERIMETER AREAS MTNC	24,448.14	203 4636264	24,448.14
			08/18-MAINTENANCE SERVICES	43,518.52	482 4636402	43,518.52
			08/18-LBP-LANDSCAPE MTNC	3,626.23	482 4636401	3,626.23
			09/18-LMD MAINTENANCE	37,320.00	101 4631402	18,750.00
					101 4634402	9,570.00
					101 4635402	9,000.00
			08/18-IRRIGATION REPAIRS	1,977.11	482 4636404	1,977.11
			08/18-IRRIGATION REPAIRS	1,080.09	482 4636404	1,080.09
			<u>183,562.98</u>		<u>183,562.98</u>	
7398555	00107	A V PRESS	08/18-LEGAL ADS	5,428.00	101 4210263	1,931.30
					101 4770263	3,013.42
					490 4250770	483.28
						<u>5,428.00</u>
7398556	07637	ABAIED, KATHLEEN	KA-MILGE-LNG BEACH-09/12-14/18	105.08	101 4220256	105.08
7398557	C4080	AVRIT, BRITT	BA-MILGE-SACRAMNTO-09/11-14/18	102.35	101 4220256	102.35
7398558	C5542	BANKS, JANICE	RFND-ADMIN CIT-CASE #17-5070	500.00	101 3310400	500.00
7398559	08931	BOUNTY ENTERPRISES INC	BAL-NIGHT FEVER-10/05/18	2,551.00	101 4650318	2,950.00
					402 2177000	(399.00)
				<u>2,551.00</u>		<u>2,551.00</u>
7398560	08754	CA MUNICIPAL COMPLNCE CNSLTNTS	09/18-PS-CONSULTING SVCS	15,000.00	101 4820301	15,000.00
7398561	D1872	CA WATER ENVIRONMENTAL ASSN	ML-MEMBERSHIP RENEWAL	188.00	101 4220311	188.00
7398562	06789	CORBETT, JOCELYN	JC-PR DM-LNG BEACH-09/14-14/18	263.11	101 4220256	103.11
					101 4220256	160.00
				<u>263.11</u>		<u>263.11</u>
7398563	08890	DE LA CRUZ, LARISSA	LDLC-PR DM-SAN DGO-10/07-10/18	248.50	101 4220256	248.50
7398564	D3792	DEFALCO, CATHY	CD-PR DM-PLM SPRNG-10/09-12/18	231.00	490 4250201	231.00
7398565	07715	E C M C	LEVY PROCEEDS	75.20	101 2159000	75.20
7398566	08551	EMPLOYMENT DEVELOPMENT DEPT	EARNINGS WITHHOLDING ORDER	50.00	101 2159000	50.00
7398567	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	9.24	101 2159000	9.24
7398568	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	12.62	101 2159000	12.62
7398569	02108	FRANCHISE TAX BOARD	TAX WITHHOLDING ORDER	152.54	101 2159000	152.54
7398570	D0315	FREGOSO, PHYLLIS	10/18-STANDARD RETAINER	8,300.00	101 4600301	8,300.00

City of Lancaster Check Register



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From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398571	09137	HARTLEY II, FLORINA	CLAIM #036-18 SETTLEMENT	750.00	109 4430300	750.00
7398572	D1701	HITE, TIMIKA	TH-PR DM-ATLANTA-10/09-14/18	363.00	101 4315256	363.00
7398573	07635	HOGAN, JEFF	JH-PR DM-SAN DIEGO-10/07-10/18	248.50	101 4220256	248.50
7398574	05319	KYRA SUNDANCE	BAP-DOG TRICK SHOW-10/06/18	500.00	101 4640251	500.00
7398575	D3470	L A CO DEPT OF PUBLIC HEALTH	ANNUAL FEES FOR COMM EVENTS	47.00	101 4649561	15.66
					101 4649565	15.67
					101 4649568	15.67
				<u>47.00</u>		<u>47.00</u>
7398576	D0782	L A CO FIRE DEPT	SOL-FIELD PERMITS-STRUCTURES	314.00	101 4649568	314.00
7398577	D0782	L A CO FIRE DEPT	SOL-FIELD PERMITS-CART RACING	314.00	101 4649568	314.00
7398578	05422	L A CO SHERIFF'S DEPT	CASE #M-1502-CL-20260	42.98	101 2159000	42.98
7398579	D3448	L A CO SHERIFF'S DEPT	FILE #3631104150058	125.00	101 2159000	125.00
7398580	D3448	L A CO SHERIFF'S DEPT	FILE #3631801190021	300.00	101 2159000	300.00
7398581	D3448	L A CO SHERIFF'S DEPT	CASE #16A17506	877.45	101 2159000	877.45
7398582	A4930	LANDALE MUTUAL WATER COMPANY	L/CHALLENGER-09/18 WATER SVC	57.03	203 4636654	57.03
7398583	09136	MAGANA, BRENDA	BM-PR DM-SAN DIEGO-10/07-10/18	248.50	101 4220256	248.50
7398584	1348	MATALON, LEON	TCKT PRCDs-SAX SYMPH-09/15/18	586.92	101 3405100	(180.00)
					101 3405100	1,200.90
					101 3405102	(10.00)
					101 3405127	(300.23)
					101 3405303	(123.75)
				<u>586.92</u>		<u>586.92</u>
7398585	09138	PACIFIC BALLET DANCE THEATRE	TCKT PRCDs-CARMEN-09/15/18	8,607.65	101 2107000	16,551.67
					101 3405100	(2,475.00)
					101 3405102	(85.00)
					101 3405127	(2,586.60)
					101 3405300	(1,300.00)
					101 3405302	(273.02)
					101 3405303	(554.40)
					101 3405304	(30.00)
					101 3405306	(640.00)
				<u>8,607.65</u>		<u>8,607.65</u>
7398586	09031	SLIFE, CATHERINE	CASE #BD455957	475.00	101 2159000	475.00
7398587	03154	SO CA EDISON	08/06/18-09/20/18 ELECTRIC SVC	381.32	363 4542770	24.33
					482 4636652	330.56

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737
 From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
				381.32	484 4755652	26.43
						381.32
7398588	03154	SO CA EDISON	08/15/18-09/26/18 ELECTRIC SVC	24,779.93	101 4240902	516.28
					101 4632652	10,012.98
					101 4633652	3,828.48
					101 4634652	4,884.70
					101 4650652	5,138.42
					321 15ST026924	27.63
					482 4636652	197.84
					483 4785652	33.24
					483 4785660	140.36
				24,779.93		24,779.93
7398589	1907	SO CA GAS COMPANY	08/22/18-09/21/18 GAS SVC	1,081.82	101 4631655	60.60
					101 4633655	817.90
					101 4650655	186.96
					101 4651655	16.36
				1,081.82		1,081.82
7398590	C2555	TIME WARNER CABLE	10/18-TV SERVICE-CITY MNGR+3	90.26	101 4315651	90.26
7398591	C8046	U S DEPT OF EDUCATION	LEVY PROCEEDS	286.40	101 2159000	286.40
7398592	C9385	U S POSTAL SERVICE	MAIL METER POSTAGE-#38903247	10,000.00	101 4600211	10,000.00
7398593	08290	4WALL ENTERTAINMENT INC	PAC-LAMPS(4)	88.20	101 4650251	88.20
7398594	02071	A G SOD FARMS INC	LMS-LOGO SOD	424.26	101 4632404	424.26
			NSC-SOD	529.41	101 4635404	529.41
				953.67		953.67
7398595	C0077	A V E K	NSC-08/18-BACTERIOLOGICAL TEST	20.00	101 4635301	20.00
7398596	00116	A V ENGINEERING	DIV/AVE I-INFILL DVLPMT PRJCT	1,500.00	361 4541900	1,500.00
			DIV/AVE I-INFILL DVLPMT PRJCT	525.00	361 4541900	525.00
			CRTVE HSNG PRJCT-PRGRS BILLNG	10,950.00	361 4541900	10,950.00
			CRTVE HSNG PRJCT-PRGRS BILLNG	8,300.00	361 4541901I	8,300.00
			CRTVE HSNG PRJCT-PRGRS BILLNG	3,712.50	361 4541901I	3,712.50
				24,987.50		24,987.50
7398597	A5389	A V FAIR	08/18-WATCH & WAGER COMM	3,293.17	101 2189000	3,293.17
7398598	03854	A V JANITORIAL SUPPLY	AHP-PAPER TOWELS(5 CASES)	147.83	101 4631406	147.83
7398599	03327	AARON GRAPHICS	COLOR BONDS(7 ROLLS)	277.10	101 4410254	277.10
7398600	08820	ACCOUNTING PRINCIPALS INC	KR-FINANCE STAFF-09/10-17/18	2,654.57	101 4410308	2,654.57
7398601	C4724	ACTIVE NETWORK LLC	DEBIT PIN PAD	450.23	101 2175000	(3.10)
					101 4315291	453.33
				450.23		450.23

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

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7398602	05445	ADELMAN BROADCASTING, INC	PAC-09/18 ADS-DAVID SPADE	472.00	101 4650205	472.00
7398603	05956	ADVANCED PRINTING & GRAPHICS	SOL-PROGRAM COPIES/DESIGN	201.48	101 4649568	201.48
7398604	07741	AGRI-TURF DISTRIBUTING LLC	NSC-TURF(90 PALLETS) LMS-RYEGRASS(25 PALLETS)	1,956.22 3,983.06 <u>5,939.28</u>	101 4635404 213 12BS014924	1,956.22 3,983.06 <u>5,939.28</u>
7398605	D1663	AMERICAN IRON WORK	NSC-FENCE WELDING	995.00	101 4635402	995.00
7398606	D3147	AMERICAN PLUMBING SERVICES, INC	LMS-DRAIN UNCLOG LMS-PLUMBING REPAIRS LMS-RESTROOM PLUMBING REPAIRS	95.00 326.95 142.50 <u>564.45</u>	101 4632402 101 4632402 101 4632402	95.00 326.95 142.50 <u>564.45</u>
7398607	D3188	AMERICAN RED CROSS	LIFEGUARD CLASS(1 STUDENT)	36.00	101 4642301	36.00
7398608	D3517	AMERICASPRINTER.COM	SOL-BROCHURES(1200)	486.35	101 4649568	486.35
7398609	04190	AMERIPRIDE SERVICES	ZELDAS-LINEN RENTALS ZELDAS-LINEN RENTALS	123.43 111.68 <u>235.11</u>	101 4652251 101 4652251	123.43 111.68 <u>235.11</u>
7398610	02693	ANDY GUMP, INC	OMP-FENCE RNTL-09/18-10/15/18 HP-FENCE RNTL-09/20-10/17/18	33.51 17.74 <u>51.25</u>	101 4634602 101 4634602	33.51 17.74 <u>51.25</u>
7398611	08130	ARTAROUND STUDIO	09/18-KIDSWORK INSTRUCTION	246.75	101 4643308	246.75
7398612	06738	ASPEN ENVIRONMENTAL GROUP	09/17-PROFESSIONAL SERVICES	39,050.11	101 2185719	39,050.11
7398613	08904	AVERY DENNISON CORP	PRINTER/INK KIT COMPACT FUME EXTRACTOR	35,352.00 2,995.00 <u>38,347.00</u>	101 2175000 203 4785753 101 2175000 203 4785753	(3,358.44) 38,710.44 (284.53) <u>3,279.53</u> <u>38,347.00</u>
7398614	04151	AXES FIRE INC	NSC-FIRE CRTS(27)/EXTS/HYDRTST	670.46	101 4635402	670.46
7398615	08994	B & G REFRIGERATION CO INC	MTNC YD-ICE MACHINE	4,180.73 <u>4,180.73</u>	101 2175000 101 4220301	(397.17) 4,577.90 <u>4,180.73</u>
7398616	08902	BUILDERS UNLIMITED CONSTRUCTRS	MOAH-CIRCUIT INSTALLATION MOAH-MOTORIZED SHADES	1,850.00 21,700.00 <u>23,550.00</u>	101 4633403 213 4653751	1,850.00 21,700.00 <u>23,550.00</u>
7398617	03421	C A L E D	18/19 MEMBERSHIP RENEWAL	1,183.65	101 4240206	1,183.65
7398618	02945	C D W GOVERNMENT	LED MONITORS(24)	9,394.56	101 4315291	9,394.56

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

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7398619	C0914	CAMPBELL II, EDWARD LEE	09/18-SPORTS OFFICIAL	690.00	101 4641308	690.00
7398620	L0543	CASTIEL, JOSE	LCE-NEM PAYOUT	2.54	490 4250658	2.54
7398621	05938	CENTERSTAGING LLC	PAC-EQUIPMENT RENTAL-09/14/18	4,374.39	101 4650602	4,374.39
7398622	08680	CHARLES, RAWLSTON	09/18-SPORTS OFFICIAL	150.00	101 4641308	150.00
7398623	D1545	CLETEHOUSE CAFE, INC	SOL-VIP PARTY-CATERING	1,451.92	101 4649568	1,451.92
7398624	C0054	COLE-ROUS, JOHN	09/18-SPORTS OFFICIAL	90.00	101 4641308	90.00
7398625	L0544	CUMMINGS, KIMBERLY	LCE-NEM PAYOUT	26.73	490 4250658	26.73
7398626	C5109	D'S CERAMICS	09/18-CHILDRENS ART INSTRUCTN 09/18-POTTERS WHEEL INSTRUCTN	35.00 91.00	101 4643308 101 4643308	35.00 91.00
				<u>126.00</u>		<u>126.00</u>
7398627	C7625	DAPEER,ROSENBLIT & LITVAK, LLP	08/18-SPECIALIZED LGL SVCS	2,472.09	101 4230303	2,472.09
7398628	08803	DEDMAN, LENARDO	09/18-SPANISH INSTRUCTOR	72.00	101 4651308	72.00
7398629	00432	DEPT OF JUSTICE	08/18-FINGERPRINT APPS	896.00	101 4220301	896.00
7398630	D4053	DEPT OF PUBLIC HEALTH	NSC-LATE PENALTY-AR0159148 NSC-WTR SYSTM TRNSNT-AR0159148	211.00 127.00	101 4635311 101 4635311	211.00 127.00
				<u>338.00</u>		<u>338.00</u>
7398631	00414	DESERT LOCK COMPANY	KEYS(32) CH-KEYS(30)	122.64 30.00	101 4631403 101 4633403	122.64 30.00
				<u>152.64</u>		<u>152.64</u>
7398632	L0545	DHINSA, JASWINDER	LCE-NEM PAYOUT	126.31	490 4250658	126.31
7398633	L0120	DUEN, ARIELLE	RFND-RNTL DEP-OMP-09/06/18	100.00	101 2182001	100.00
7398634	08329	E C S IMAGING INC	PRJCT MANAGEMENT/CONSLTNG SVCS	4,387.50	109 4110301	4,387.50
7398635	08643	EARTH SYSTEMS PACIFIC	CP17008-10TH ST W GAP CLOSURE	1,200.00	206 15ST026924	1,200.00
7398636	05665	EGGERTH, DARRELL	09/18-SPORTS OFFICIAL	598.00	101 4641308	598.00
7398637	06857	ENTERTAINMENTMAX, INC	CMMSSNS-BIG BAD DADDY-09/21/18 COMMISSIONS-LA AZULES-09/23/18 COMMISSIONS-KENNY G-09/22/18	2,000.00 3,000.00 4,300.00	402 4650301 402 4650301 402 4650301	2,000.00 3,000.00 4,300.00
				<u>9,300.00</u>		<u>9,300.00</u>
7398638	D2427	ENVIRONMENTAL SOUND SOLUTIONS	10/18-MUSIC SERVICE	65.00	101 4633301	65.00
7398639	L0546	ESCOBAR, OLGA	LCE-NEM PAYOUT	73.17	490 4250658	73.17

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

Printed: 10/8/2018 15:44

From Check Date: 09/23/18 - To Check Date: 10/06/18

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398640	07197	ESPRITT, JA VAUGHN	09/18-SPORTS OFFICIAL	250.00	101 4641308	250.00
7398641	C9406	ESTES, MAURICE (WH)	09/18-SPORTS OFFICIAL	368.00	101 4641308	368.00
			FTB ORDER TO WITHHOLD	(92.00)	101 2177000	(92.00)
			W/H ORDER FEE	(2.50)	101 3601100	(2.50)
				<u>273.50</u>		<u>273.50</u>
7398642	06380	EWING IRRIGATION PRODUCTS, INC	LMS-FERTILIZER(40 BAGS)	1,163.84	101 4632404	1,163.84
7398643	07803	FARRELL, MICHAEL R	LCE-NEM PAYOUT	91.53	490 4250658	91.53
7398644	00617	FEDERAL EXPRESS CORPORATION	EXPRESS MAILINGS	193.04	101 4230212	68.48
					101 4600212	22.84
					101 4770212	67.89
					101 4783212	33.83
			EXPRESS MAILINGS	68.20	101 4650212	20.78
					101 4800212	26.69
					306 4542212	20.73
				<u>261.24</u>		<u>261.24</u>
7398645	09130	FIORE ELECTRICAL INC	RFND-BL FEES-BUS-002120/002121	177.00	101 2179004	4.00
					101 3102200	92.00
					101 3102250	81.00
				<u>177.00</u>		<u>177.00</u>
7398646	L0547	FORTSON, KARI	LCE-NEM PAYOUT	24.76	490 4250658	24.76
7398647	02108	FRANCHISE TAX BOARD	W/H ORDER-367746102466805057	92.00	101 2177000	92.00
7398648	08308	GET HOOKED CRANE SERVICE INC	OMP-LIGHT POLE INSTALLATIONS	342.50	101 4634402	342.50
7398649	02585	HARRELL, BARON	09/18-SPORTS OFFICIAL	209.00	101 4641308	209.00
7398650	07030	HARTER, MAXWELL	SOL-HAY DELIVERY/PICKUP	832.00	101 4649568	832.00
7398651	L0548	HIATT LEVINE, KAIRE	LCE-NEM PAYOUT	57.88	490 4250658	57.88
7398652	C4032	HOUSING RIGHTS CENTER	07/18-FAIR HOUSING PROGRAM	3,433.15	361 4541301	3,433.15
7398653	07127	HUMAN ELEMENT	09/18-YOGA INSTRUCTION	33.60	101 4643308	33.60
			09/18-BARRE INSTRUCTION	67.20	101 4643308	67.20
				<u>100.80</u>		<u>100.80</u>
7398654	08542	INFRASTRUCTURE ENGR CORP	CP17020-AVE I CORRDR IMPRVMENTS	2,225.00	209 15ST042924	2,225.00
7398655	D3842	INNOVATION EDUCATION	09/18-ITALIAN INSTRUCTION	168.00	101 4643308	168.00
			09/18-LEGO ROBOTICS INSTRUCTN	392.00	101 4643308	392.00
			09/18-ITALIAN INSTRUCTION	56.00	101 4643308	56.00
				<u>616.00</u>		<u>616.00</u>
7398656	07696	JOHNSON, DONALD	09/18-SPORTS OFFICIAL	275.00	101 4641308	275.00

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398657	07836	JONES, MARK	LCE-NEM PAYOUT	238.59	490 4250658	238.59
7398658	08749	JUST GO GREEN INCORPORATED	LMS-FLAG POLE REPAIR	650.00	101 4632402	650.00
			LMS-KIDS ZONE IRRIGATION REPRS	480.00	101 4632402	480.00
			LMS-1ST BASE MAINLINE REPAIR	600.00	101 4632402	600.00
				<u>1,730.00</u>		<u>1,730.00</u>
7398659	D1903	KERN MACHINERY INC-LANCASTER	OMP-TRACTOR OIL/KEYS/PINS	78.97	101 4634207	78.97
7398660	C8919	KOCUREK, PHILLIP	09/18-PHOTOGRAPHY INSTRUCTOR	135.00	101 4643308	135.00
7398661	06059	KRAZAN & ASSOCIATES, INC	CP17020-AVE I CORRDR IMPRVMNTS	557.50	209 15ST042924	557.50
			CP18003-SCHOOL PED IMPROVEMNTS	2,402.50	210 15ST037924	2,402.50
				<u>2,960.00</u>		<u>2,960.00</u>
7398662	07027	KYLE, JACOB	SOL-HAY DELIVERY/PICKUP	1,040.00	101 4649568	1,040.00
7398663	D3426	LAW OFFICES CHRISTOPHER RAMSEY CLAIM #004-17/CLGL-1383A2		13,230.00	109 4430300	13,230.00
7398664	D1736	LEVEL 3 COMMUNICATIONS LLC	09/18-INTERNET/DATA-#50041351	3,931.67	101 4315651	3,931.67
7398665	L0549	LIPE, ROBERT CURTISS II	LCE-NEM PAYOUT	7.49	490 4250658	7.49
7398666	D3390	LOPEZ, JOE	09/18-SPORTS OFFICIAL	322.00	101 4641308	322.00
7398667	D3290	MAHOWALD, DAA	09/18-CHESS INSTRUCTOR	210.00	101 4643308	210.00
7398668	L0550	MASCULINO, KATHY M	LCE-NEM PAYOUT	40.08	490 4250658	40.08
7398669	05457	MAULDIN JR, LEO	09/18-SPORTS OFFICIAL	1,058.00	101 4641308	1,058.00
7398670	03351	MAULDIN, JOSEPH	09/18-SPORTS OFFICIAL	96.00	101 4641308	96.00
7398671	06948	MCKISSIC, MAURISHA	09/18-SPORTS OFFICIAL	150.00	101 4641308	150.00
7398672	02270	MELDON GLASS	LMS-PRESS BOX WINDOW REPAIRS	80.00	101 4632402	80.00
7398673	06673	MILLER, JACK C	09/18-TENNIS INSTRUCTOR	18.00	101 4643308	18.00
			09/18-TENNIS INSTRUCTOR	33.00	101 4643308	33.00
			09/18-TENNIS INSTRUCTOR	36.00	101 4643308	36.00
			09/18-TENNIS INSTRUCTOR	39.00	101 4643308	39.00
			09/18-TENNIS INSTRUCTOR	27.00	101 4643308	27.00
			09/18-TENNIS INSTRUCTOR	24.00	101 4643308	24.00
			09/18-TENNIS INSTRUCTOR	24.00	101 4643308	24.00
			09/18-TENNIS INSTRUCTOR	36.00	101 4643308	36.00
			09/18-TENNIS INSTRUCTOR	27.00	101 4643308	27.00
				<u>264.00</u>		<u>264.00</u>
7398674	08748	MILLER, KENNETH	09/18-SPORTS OFFICIAL	200.00	101 4641308	200.00
7398675	D3578	MINUTEMAN PRESS	PAC-18/19 SEASON BROCHURS(751)	81.33	101 4650211	81.33

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398676	09051	MOORE FENCE COMPANY	PDW-PERMANENT FENCE PROJECT	31,733.84	224 11GS011924	31,733.84
7398677	09132	MORNINGSIDE TRANSLATIONS	TRANSLATING SERVICES	578.51	101 4240301	578.51
7398678	05773	MORRISON WELL MAINTENANCE	NSC-08/18-BACTERIOLOGICAL TEST	200.00	101 4635301	200.00
7398679	06543	MURREN, JAMES	09/18-ADMIN HEARINGS	50.00	101 4545301	50.00
7398680	08562	NAPA AUTO PARTS	SOCKETS(2)-EQ3842	20.26	203 4752207	20.26
			SOCKETS(2)-EQ5720	20.26	203 4636207	20.26
			SOCKETS(2)/CNTRL-EQ5721	118.79	203 4636207	118.79
			SOCKETS(2)/CNTRL-EQ5722	118.79	101 4634207	118.79
			SOCKETS(2)-EQ5629	20.26	101 4641207	20.26
			SOCKETS(2)-EQ7513	20.26	101 4783207	20.26
			SOCKETS(2)/CNTRL-EQ5723	118.79	101 4631207	118.79
			OIL/FUEL/AIR FLTRS-EQ3414	19.66	203 4752207	19.66
			FUEL/AIR/OIL FLTRS-EQ5664	24.01	101 4634207	24.01
			OIL/FUEL/AIR FLTRS-EQ5853	81.19	101 4635207	81.19
			AIR/OIL/FUEL FLTRS-EQ3745	30.41	203 4752207	30.41
			OIL FILTER-EQ4300	4.41	203 4752207	4.41
			OIL FILTER-EQ1739	3.74	101 4600207	3.74
			OIL FILTER-EQ5662	4.41	101 4634207	4.41
			CROSSOVER-EQ5722	259.50	101 4634207	259.50
			CROSSOVER-EQ5723	259.50	101 4631207	259.50
			CROSSOVER-EQ5629	259.50	101 4641207	259.50
			CROSSOVER-EQ7513	259.50	101 4783207	259.50
			OIL FILTER-EQ5850	3.62	101 4635207	3.62
			LOOMS(100)-EQ5720	33.95	203 4636207	33.95
			FUEL MODULE/CAP-EQ5857	185.80	101 4640207	185.80
			FUEL CAP-EQ3831	13.49	203 4752207	13.49
			CRDT-GAS CAP-EQ5857	(3.72)	101 4640207	(3.72)
			ROCKERS/SWITCHES-EQ3781	71.90	203 4752207	71.90
			RTV CARTS(2)-EQ4337	24.94	203 4785207	24.94
			RIVETS(8)-EQ4337	18.92	203 4785207	18.92
			PCKT PEN LGHT-EQ4337	9.30	203 4785207	9.30
			REGLTR ASSY-EQ7768	92.19	101 4783207	92.19
			REGLTR ASSY-EQ7767	92.19	101 4783207	92.19
				<u>2,185.82</u>		<u>2,185.82</u>
7398681	06148	NIK-O-LOK, INC	10/18-MONTHLY COIN LOCK LEASE	39.00	101 4633301	39.00
7398682	09131	ORELLANA, ESTHER	RFND-TOW TRUCK LIC FEE	348.00	101 2179004	4.00
					101 3102600	344.00
				<u>348.00</u>		<u>348.00</u>
7398683	05741	P P G ARCHITECTURAL FINISHES	NSC-FIELD PAINT	993.60	101 4635404	993.60
			MOAH-PAINT/SUPPLIES	526.31	101 4653251	526.31
				<u>1,519.91</u>		<u>1,519.91</u>
7398684	D1515	PACIFIC STATE APPRAISAL	350 E NUGENT-APPRAISAL	400.00	306 4542684	400.00

City of Lancaster Check Register



From Check No.: 7398403 - To Check No.: 7398737

From Check Date: 09/23/18 - To Check Date: 10/06/18

Printed: 10/8/2018 15:44

Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
7398685	L0351	PANUS, JOHN	LCE-NEM PAYOUT	335.20	490 4250658	335.20
7398686	05499	PENSKE TRUCK LEASING CO LP	MOAH-TRUCK RENTAL-09/07/18	342.41	101 4651251	342.41
7398687	08967	PIONEER ATHLETICS	LMS-FIELD PAINT	138.44	101 2175000	(1.45)
					101 4632404	139.89
				<u>138.44</u>		<u>138.44</u>
7398688	C5395	PRO ACTIVE WORK HEALTH SERVICES	GW-PHYSICAL-08/07/18	69.00	101 4220301	69.00
			DW-ESCRN/BAT NON DOT-08/23/18	75.00	101 4220301	75.00
			BB-PHYSICAL-08/14/18	69.00	101 4220301	69.00
			DL-ESCRN/BAT NON DOT-08/14/18	75.00	101 4220301	75.00
			CM-ESCRN/BAT NON DOT-08/21/18	75.00	101 4220301	75.00
			SF-PHYSICAL-08/22/18	69.00	101 4220301	69.00
			JS-ESCREEN TEST-08/20/18	40.00	101 4220301	40.00
			AC-PHYS/ESCRN/TB TEST-08/10/18	100.00	101 4220255	100.00
			PM-PHYSICAL-07/25/18	69.00	101 4220301	69.00
			SC-ESCREEN TEST-07/26/18	40.00	101 4220301	40.00
			WL-ESCREEN TEST-07/26/18	40.00	101 4220301	40.00
			RA-ESCREEN TEST-07/10/18	40.00	101 4220301	40.00
			MM-ESCREEN TEST-07/31/18	40.00	101 4220301	40.00
			JP-ESCREEN TEST-07/02/18	40.00	101 4220301	40.00
			KG-ESCREEN TEST-07/05/18	40.00	101 4220301	40.00
				<u>881.00</u>		<u>881.00</u>
7398689	04361	PROTECTION ONE	LMS-08/18 ALARM MONITORING	48.62	101 4632301	48.62
			LMS-09/18 ALARM MONITORING	48.62	101 4632301	48.62
				<u>97.24</u>		<u>97.24</u>
7398690	02257	QUALITY SURVEYING, INC	CP18003-SCHOOL PED IMPROVEMNTS	7,500.00	210 15ST037924	7,500.00
7398691	A9382	R H A LANDSCAPE ARCHITECTS	LANC PARKS IMPROVEMENT PLAN	95.00	104 4631402	95.00
7398692	07002	READYREFRESH BY NESTLE	08/18-WTR COOLER RENTAL	89.65	101 4650301	89.65
7398693	06712	RICE, BRIAN S.	09/18-SPORTS OFFICIAL	184.00	101 4641308	184.00
7398694	L0551	RICHARD&JOAN REVOCABLE LIVTRST	LCE-NEM PAYOUT	7.03	490 4250658	7.03
7398695	C4435	ROACH'S TERMITE PEST CONTROL	RDP-08/18-PEST CONTROL SERVICE	65.00	101 4634301	65.00
			OMP-09/18-PEST CONTROL SERVICE	190.00	101 4634301	190.00
				<u>255.00</u>		<u>255.00</u>
7398696	04337	RUIZ, LINDA	09/18-TENNIS INSTRUCTOR	321.30	101 4643308	321.30
			09/18-TENNIS INSTRUCTOR	214.20	101 4643308	214.20
				<u>535.50</u>		<u>535.50</u>
7398697	D3947	S G A CLEANING SERVICES	LMS-DRINKING FOUNTAIN REPAIR	365.00	101 4632402	365.00
			LMS-IRRIGATION REPAIRS	365.00	101 4632402	365.00
			LMS-FIELD IRRIGATION REPAIRS	385.00	101 4632402	385.00
			AHP-RESTROOM DOOR REPAIR	280.00	101 4631402	280.00

City of Lancaster Check Register



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Check No	Supplier	Supplier Name	Invoice Description	Invoice Amt	Charge Code	GL Amount
			CH-FENCE MATERIALS	1,875.00	101 4633403	1,875.00
				3,270.00		3,270.00
7398698	A8260	SAGE STAFFING	SB-FINANCE STAFF-09/04-07/18	796.32	101 4410308	796.32
			EM-PARKS STAFF-09/10-14/18	744.00	101 4600308	744.00
			AM-PUBLIC SFTY STFF-09/10-14/18	696.54	101 4820308	696.54
			AT-LCE STAFF-09/10-14/18	989.08	490 4250308	989.08
				3,225.94		3,225.94
7398699	C3064	SANTOS, RENALDO	09/18-SPORTS OFFICIAL	1,012.00	101 4641308	1,012.00
7398700	1919	SAV-ON FENCE COMPANY	NSC-FENCE REPAIRS	250.00	101 4635404	250.00
7398701	06664	SEA SUPPLY	NSC-JANITORIAL SUPPLIES	580.31	101 4635406	580.31
7398702	08126	SECURITY DEFENDERS	AHP/JRP-SEC SVC-08/18	1,980.00	101 4631301	1,980.00
7398703	1894	SIGNS & DESIGNS	MA-FACEPLATE/ROWMARK	26.28	101 4770253	26.28
			PLANNING CMMSSN-DAIS SIGN	13.14	101 4770253	13.14
			DESK FRAMES/NAMEPLATES(19)	582.54	101 4783259	582.54
				621.96		621.96
7398704	08538	SILVESTRE, BARBARA	09/18-TENNIS INSTRUCTOR	264.00	101 4651308	264.00
7398705	5210	SLATER PIANO SERVICE	PAC-PIANO TUNING	100.00	101 4650301	100.00
7398706	01816	SMITH PIPE & SUPPLY INC	LMS-TREE TRIMMING TOOLS	755.93	101 4632208	755.93
			MP-SOLENOID/BATTERIES	28.28	101 4631404	28.28
			OMP-POP UPS(16)	407.34	101 4634404	407.34
			AHP-KEYS/SWIVELS/HANDLES/TAPE	238.58	101 4631404	238.58
			AHP-PVC CAPS/COUPLINGS	45.74	101 4631404	45.74
				1,475.87		1,475.87
7398707	L0552	SMITH, JACOB	LCE-NEM PAYOUT	100.77	490 4250658	100.77
7398708	07553	SMITH, MICHAEL	09/18-SPORTS OFFICIAL	138.00	101 4641308	138.00
7398709	C0674	SOBALVARRO, DAVID	09/18-SPORTS OFFICIAL	230.00	101 4641308	230.00
7398710	09029	SUSTAINABLE TURF SCIENCE INC	LMS-FIELD WATER TEST	75.00	101 4632404	75.00
7398711	L0553	TALLOSI, BRITTANY	LCE-NEM PAYOUT	17.50	490 4250658	17.50
7398712	09091	THE RETAIL COACH LLC	RETAIL RECRUITMENT CONSULTING	15,000.00	101 4240301	15,000.00
7398713	2009	THE TIRE STORE	TIRES(4)-EQ6819	630.30	484 4755207	630.30
7398714	04239	TIM WELLS MOBILE TIRE SERVICE	FLAT REPAIR-EQ3367	25.00	203 4752207	25.00
			SVC CALL/MNT/DSMNT-EQ3822	125.00	203 4752207	125.00
			REPAIR-EQ3772	46.43	484 4752207	46.43
			SVC CALL/RPR-EQ3783	100.00	203 4752207	100.00
			REPAIR-EQ3776	25.00	203 4752207	25.00

City of Lancaster Check Register



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			DSMNT/MNT-EQ3831	44.00	203 4752207	44.00
			REPAIR-EQ3992	15.00	480 4755207	15.00
			TIRE/BALANCE-EQ3368	148.71	203 4752207	148.71
				<u>529.14</u>		<u>529.14</u>
7398715	2003	TIP TOP ARBORISTS, INC	45423 10TH W-TREE REMOVAL	1,949.00	306 4542682	1,949.00
			H6/10TH W-TREE REMOVALS	1,369.00	306 4542682	1,369.00
				<u>3,318.00</u>		<u>3,318.00</u>
7398716	L0455	TORRES, HUGO	LCE-NEM PAYOUT	81.91	490 4250658	81.91
7398717	08687	TRINITY INNOVATIONS	SOL-SIGNS/BANNERS	2,130.42	101 4649568	2,130.42
			SOL-TRUSS ARCH SYSTEM	10,899.39	101 4649568	10,899.39
			SOL-MOAH EXTERIOT TREATMENT	13,191.88	101 4649568	13,191.88
				<u>26,221.69</u>		<u>26,221.69</u>
7398718	02977	TURBO DATA SYSTEMS INC	08/18-PARKNG CITATN PROCESSING	6,405.85	101 4800301	6,405.85
			07/18-08/18-ADMIN CTTN PRCSNG	3,461.54	101 4310301	3,461.54
				<u>9,867.39</u>		<u>9,867.39</u>
7398719	C4011	UNITED RENTALS	AHP-TRENCHER RNTL-09/12-13/18	280.76	101 4631602	280.76
7398720	05551	UNITED SITE SRVCS OF CA,SO DIV	LUC-FENCE RNTL-09/07-10/04/18	61.32	101 4633403	61.32
			FENCE RENTAL-09/13-10/10/18	19.72	101 4633403	19.72
				<u>81.04</u>		<u>81.04</u>
7398721	31009	UNIVERSAL ELECTRONIC ALARMS	LMS-FIRE ALARM MTNC/TRBLSHOOT	470.00	101 4632402	470.00
			CDR ST-10/18-SECURITY ALARM	37.00	101 4651301	37.00
			PAC-10/18-FIRE ALARM	56.00	101 4650301	56.00
			MOAH-10/18-FIRE ALARM	27.00	101 4633301	27.00
			MTNC YD-10/18-FIRE ALARM	27.00	203 4752301	27.00
			PAC-10/18-SECURITY ALARM	27.00	101 4650301	27.00
			WH-10/18-SECURITY ALARM	27.00	101 4633301	27.00
			OMP-10/18-SECURITY ALARM	27.00	101 4634301	27.00
			MOAH-10/18-SECURITY ALARM	27.00	101 4633301	27.00
			MTNC YD-10/18-SECURITY ALARM	27.00	203 4752301	27.00
			CH-10/18-SECURITY ALARM	27.00	101 4633301	27.00
				<u>779.00</u>		<u>779.00</u>
7398722	04496	VULCAN MATERIAL WESTERN DIV	ASPHALT	136.89	203 4752410	136.89
			COLD MIX	136.55	203 4752410	136.55
				<u>273.44</u>		<u>273.44</u>
7398723	06209	WAGEWORKS	09/18-FSA ADMIN FEES	471.97	101 2170213	443.82
					101 2170214	28.15
				<u>471.97</u>		<u>471.97</u>
7398724	05087	WALSMA OIL COMPANY	UNLEADED(5884)/DIESEL(1576)	23,113.25	101 1620000	23,113.25
7398725	09135	WARR, JOSEPH THOMAS	MOAH:CEDAR-PERF-09/22/18	150.00	101 4651251	150.00
7398726	D2816	WASTE MANAGEMENT OF A V	09/18-615 W H(TIRE)-TRASH SVC	1,541.85	330 4542656	1,541.85

City of Lancaster Check Register



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7398727	D0298	WILLDAN FINANCIAL SERVICES	AD 93-3-LTD OBLGTN IMPRV BONDS CFD 89-1-COMMNTY FACLTS ADMIN	1,800.00 2,141.84 <u>3,941.84</u>	811 4100301 830 4300301	1,800.00 2,141.84 <u>3,941.84</u>
7398728	L0481	WILLIAMS, SUZANNE	LCE-NEM PAYOUT	130.88	490 4250658	130.88
7398729	C5965	WOLF, LAWRENCE	09/18-SPORTS OFFICIAL	161.00	101 4641308	161.00
7398730	L0554	WYATT, DONALD	LCE-NEM PAYOUT	31.04	490 4250658	31.04
7398731	04627	Z A P MANUFACTURING INC	REMOVE/REFACE SIGNS(78)	1,413.53	203 4785455	1,413.53
7398732	D3242	ZIMMER, DANIEL	09/18-SPORTS OFFICIAL	667.00	101 4641308	667.00
7398733	C7946	L A CO DEPT ANIMAL CARE&CONTRL	08/18-HOUSING COSTS	110,392.90	101 4820363	110,392.90
7398734	1215	L A CO WATERWORKS	07/16/18-09/20/18 WATER SVC	55,963.64	101 4631654 101 4632654 101 4633654 101 4650654 101 4651654 101 4800403 203 4636654 203 4752654 306 4542684 361 4541776 482 4636654	24,077.94 6,918.55 1,270.67 447.70 770.85 134.98 5,214.68 484.40 945.19 260.54 <u>15,438.14</u>
				<u>55,963.64</u>		<u>55,963.64</u>
7398735	07101	CALPINE ENERGY SOLUTIONS LLC	08/18-LCE-BACK OFFICE SERVICES	131,716.25	491 4250001D 491 4250002D 491 4250003D 491 4250004D	19,060.00 22,197.50 69,886.25 <u>20,572.50</u>
				<u>131,716.25</u>		<u>131,716.25</u>
7398736	07230	PAVEMENT COATINGS CO	CP17016-AUTO MALL IMPROVEMENTS	197,055.65	232 15BW005924	197,055.65
7398737	06321	SUPERKARTS! USA	SOL-2018 VIP RACES/INSURANCE SOL-2018 WINNER SPONSORSHIP SOL-AUDIO/VISUAL SERVICES	30,000.00 1,700.00 29,500.00 <u>61,200.00</u>	101 4649568 101 4649568 101 4649568	30,000.00 1,700.00 29,500.00 <u>61,200.00</u>

Chk Count 335

Check Report Total 1,834,811.75

STAFF REPORT
City of Lancaster

CC 3
10/23/18
MVB

Date: October 23, 2018
To: Mayor Parris and City Council Members
From: Pam Statsmann, Finance Director
Subject: **Monthly Report of Investments – September 2018**

Recommendation:

Accept and approve the September 2018 Monthly Report of Investments as submitted.

Fiscal Impact:

None

Background:

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

Portfolio Recap

Yield:

	<u>September 2018</u>	<u>August 2018</u>
Total Portfolio	1.40%	1.31%
Local Agency Investment Fund	2.06%	2.00%
Total Portfolio Balance:	\$63,077,831	\$63,298,339

The portfolio balance decreased from August to September by \$220,508, or 0.3%. Significant revenues for September included \$1,714,273 of Sales & Use Tax, \$1,061,961 from MTA for various programs and \$571,897 from miscellaneous Grants. The largest City expenditures was \$4,321,570 to LA County Sheriff for August and September 2018 law enforcement services.

The City’s temporary idle cash, those funds that are not immediately needed to pay current bills and not governed by bond indentures or bond resolutions, is invested in accordance with the City’s adopted Investment Policy. This policy is reviewed regularly by the City Council, with the latest policy adopted February 13, 2018, by Resolution No. 18-06.

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

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

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

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

PS:MA

Attachment:

Monthly Report of Investments

**ATTACHMENT A
CITY OF LANCASTER
MONTHLY REPORT OF INVESTMENTS
September 30, 2018**

- (1) This is the actual City bank account balance as of 09/30/2018. It only reflects checks that have been presented for payment and deposits received by the bank. The balance on deposit per the City books would reflect reductions for all checks and warrants issued and all deposits transmitted.
- (2) This is the safekeeping account utilized for investing City funds pursuant and consistent with the investment policy adopted 02/13/2018. The current portfolio consists of treasury notes, government agencies, corporates, and CDs.

(3) Pooled Portfolio:

	<u>% of Portfolio</u>	<u>Policy Limit</u>
Cash	14.45%	None
CDs	1.11%	25% of total portfolio
Commercial Paper	0.00%	25% of total portfolio
US Treasury	21.95%	None
Federal Securities	25.74%	None
Corporate Securities	19.05%	30% of total portfolio
LAIF	17.70%	None

- (4) These are restricted cash and investments are held in trust by the banks indicated. These amounts cannot be pooled for other investing.

**ATTACHMENT A
CITY OF LANCASTER
MONTHLY REPORT OF INVESTMENTS
September 30, 2018**

	Interest Rate	Amount	Total
<u>City of Lancaster</u>			
Wells Fargo Bank			
City of Lancaster Account (note 1)	0.00%	\$8,491,982	
Certificate of Deposit	0.10%	\$100,000	
			\$8,591,982
Bank of America			
Certificate of Deposit	0.05%	\$100,000	\$100,000
U S Bank - Safekeeping (note 2)			
Commercial Paper	0.00%	\$0	
US Treasury Notes	1.14%	\$12,909,121	
Federal Government Agencies	1.41%	\$15,134,059	
Corporate Securities	1.95%	\$11,201,683	
Cash & Equivalents	0.00%	\$5,629	
			\$100,000
California Bank & Trust			
Certificate of Deposit	0.01%	\$100,000	
			\$150,919
Chase Bank			
Certificate of Deposit	0.01%	\$150,919	
			\$201,478
Mission Bank			
Certificate of Deposit	0.20%	\$201,478	
			\$10,408,815
Local Agency Investment Fund (L.A.I.F.)			
	2.06%	\$10,408,815	
Total City of Lancaster			\$58,803,686
Successor Agency for the Lancaster Redevelopment Agency			
Local Agency Investment Fund (L.A.I.F.)			
	2.06%	\$4,274,145	\$4,274,145
Total Lancaster Successor Agency			\$4,274,145
Total Pooled Portfolio (note 3)			\$63,077,831
Weighted Average	1.40%		

**ATTACHMENT A
CITY OF LANCASTER
MONTHLY REPORT OF INVESTMENTS
September 30, 2018**

	Interest Rate	Amount	Total
Wilmington Trust			\$5,128,878
Lancaster Choice Energy LockBox Account	0.00%	\$5,128,878	
The Bank of New York Mellon Trust Company, N.A.			\$1,483,822
LRA & LA County Escrow Account - Government Bonds	0.00%	\$1,483,822	
US Bank			\$9,873,750
CFD 89-1 1990 Special Bonds	1.95%	\$69	
LFA CFD 89-1 1997 Special Bonds	1.95%	\$1,718	
LFA L O BONDS 1997 SERIES A & B	1.95%	\$386,260	
AD 93-3 1994 Limited Improvement Bonds	0.00%	\$0	
LRA Combined 2004 Fire Protection Facilities Project Bonds	1.95%	\$843,064	
LRA Combined 2004 Sheriff Facilities Prjct Refunding Bonds	1.95%	\$1,799,081	
LRA Public Capital Facilities 2010 Project Lease Revenue Bonds	1.95%	\$418,895	
LPA Solar Renewable Energy Issue of 2012A	1.95%	\$2,258,872	
SA Combined Project Areas Refunding Bonds 2015A & B	1.95%	\$464,882	
SA Combined Project Areas Refunding Bonds 2016 A-1 & A-2	1.95%	\$1,042,272	
SA Combined Project Areas Refunding Bonds 2016B	1.95%	\$949,097	
LFA 2016 Assessment Revenue Bonds (Streetlights Acquisition)	1.95%	\$411,462	
SA 2017 Tax Allocation Revenue Bonds (TARB)	1.95%	\$1,298,079	
Total Restricted Cash/Investments Held in Trust		\$9,873,750	
Total Restricted Cash/Investments Held in Trust (note 4)			\$16,486,450

All investments are authorized pursuant to and consistent with the investment policy of the City of Lancaster. Policy adopted 02/13/18 under resolution number 18-06.

Pam Statsmann
Finance Director

City of Lancaster
Cash Balances by Fund
September 30, 2018

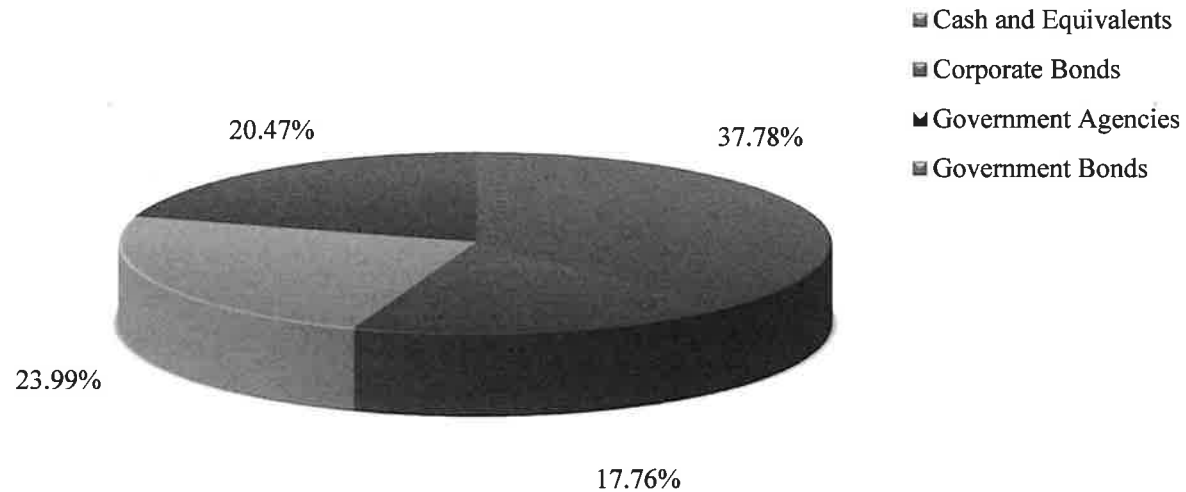
Fund No.	Fund Name	Ending Balance	Fund No.	Fund Name	Ending Balance
101	GENERAL FUND	\$ 12,511,184	323	STATE GRANT - STPL	\$ (2,478)
104	CAPITAL REPLACEMENT FUND	\$ 2,252,936	324	STATE GRANT - OTS	\$ (5,365)
106	COMMUNITY SERVICES FOUNDATION	\$ 124,528	330	STATE GRANT RECYCLING	\$ 202,462
109	CITY SPECIAL RESERVES FUND	\$ (3,373,316)	331	STATE GRANT - OIL RECYCLING	\$ 39,848
150	CAPITAL PROJECTS FUND - CITY	\$ (2,235,970)	349	MISC STATE GRANTS	\$ (89,387)
203	GAS TAX	\$ 964,566	361	CDBG	\$ (1,281,320)
204	AQMD	\$ 85,108	363	NBRHD STABILIZATION PRGM	\$ 1,777,573
205	PROP 1B	\$ 242,415	364	HPRP-HOMELESS PREV & RAPID REH	\$ -
206	TDA ARTICLE 8 FUND	\$ (1,704,445)	391	LANCASTER HOME PROGRAM	\$ 750,637
207	PROP "A" TRANSIT FUND	\$ 2,222,210	399	FEDERAL MISCELLANEOUS GRANTS	\$ (347,019)
208	TDA ARTICLE 3 BIKEWAY FUND	\$ (56,256)	401	AGENCY FUND	\$ 550,395
209	PROPOSITION "C" FUND	\$ 4,124,071	402	PERFORMING ARTS CENTER	\$ (91,406)
210	MEASURE R FUND	\$ 5,626,437	404	GRANTS FUND	\$ -
211	MEASURE M FUND	\$ 1,743,965	408	X-AEROSPACE GRANTS FUND	\$ -
213	PARKS DEVELOPMENT FUND	\$ 816,029	456	STILL MEADOW LN SWR ASSMNT DST	\$ 3,013
217	SIGNALS - DEVELOPER FEES FUND	\$ 2,968,557	480	SEWER MAINT FUND	\$ 3,897,320
220	DRAINAGE - DEVELOPER FEES FUND	\$ 4,265,246	482	LANDSCAPE MAINTENANCE DISTRICT	\$ 2,018,051
224	BIOLOGICAL IMPACT FEE FUND	\$ 1,542,254	483	LIGHTING MAINTENANCE DISTRICT	\$ (1,873,381)
226	USP - OPERATION	\$ 2,569	484	DRAINAGE MAINTENANCE DISTRICT	\$ 1,707,982
227	USP - PARKS	\$ 1,521,626	485	RECYCLED WATER FUND	\$ 35,807
228	USP - ADMIN	\$ 9,521	486	LANCASTER POWER AUTHORITY	\$ 3,266,156
229	USP - CORP YARD	\$ 150,961	490	LANCASTER CHOICE ENERGY	\$ 3,701,687
230	MARIPOSA LILY FUND	\$ 62,733	491	CALIFORNIA CHOICE ENERGY AUTH	\$ 139,426
232	TRAFFIC IMPACT FEES FUND	\$ 2,429,252	701	LANCASTER FINANCING AUTHORITY	\$ 5,103
233	DEVELOPER IN LIEU	\$ 68,543	810	ASSESSMENT DISTRICT FUND	\$ 154,596
248	TRAFFIC SAFETY FUND	\$ 39,996	811	AD 93-3	\$ 120,099
251	ENGINEERING FEES	\$ 424,600	812	AD 92-101	\$ 90,589
252	PROP 42 CONGESTION MANAGEMENT	\$ 649,772	830	CFD 89-1 EASTSIDE WATER FUND	\$ 670,834
261	LOS ANGELES COUNTY REIMB	\$ (34,171)	831	CFD 90-1 (BELLE TIERRA)	\$ 445,503
301	LANCASTER HOUSING AUTH. OPS.	\$ 2,459,054	832	CFD 91-1 (QUARTZ HILL)	\$ 776,760
306	LOW & MOD INCOME HOUSING	\$ 5,778,133	833	CFD 91-2 (LANC BUSINESS PARK)	\$ 442,816
321	MTA GRANT - LOCAL	\$ (1,933,740)	991	REDEV OBLIGATION RETIREMENT FD	\$ 5,940,790
				Total Cash Balance	\$ 66,795,460

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

**City of Lancaster
Recap of Securities Held
September 30, 2018**

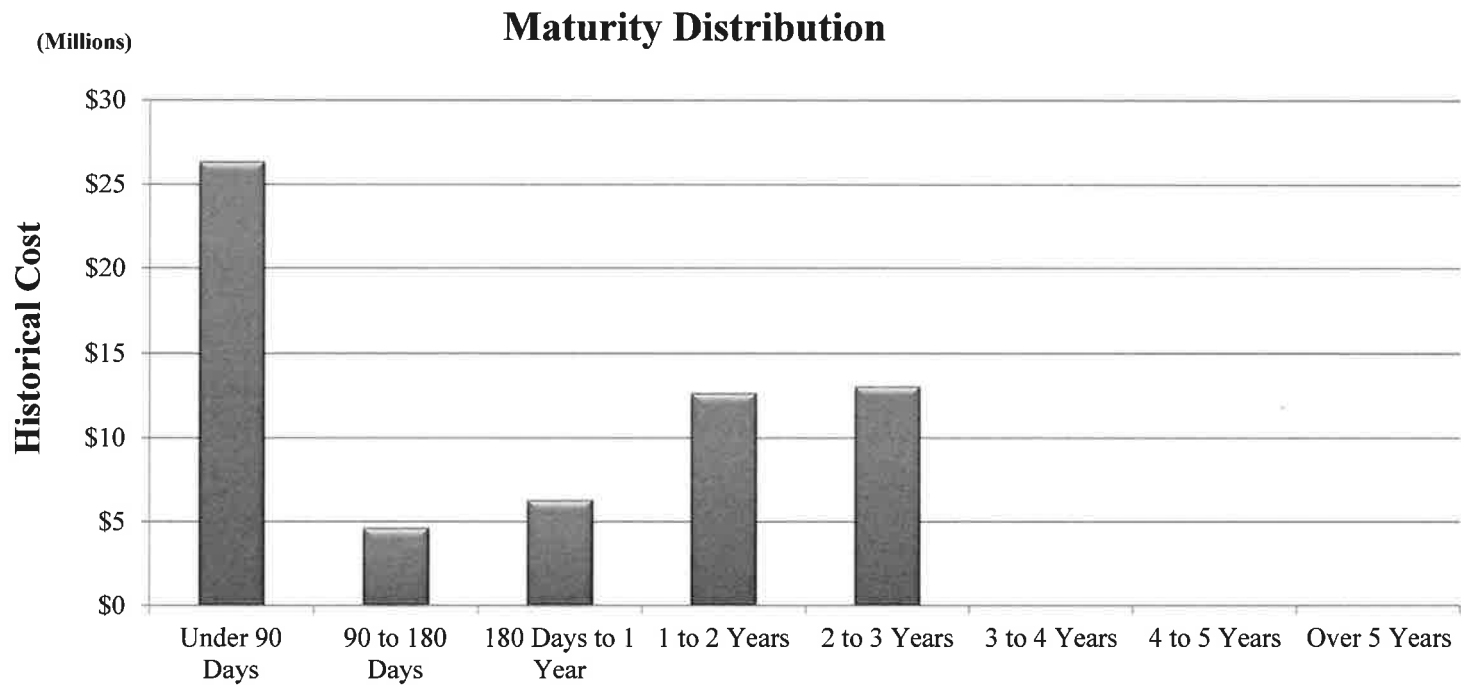
	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Effective	% Portfolio/ Segment	Weighted Average Market
Cash and Equivalents	\$23,832,967	\$23,832,967	\$23,832,967	\$0	1	37.78%	0.00
Corporate Bonds	\$11,201,683	\$11,165,685	\$11,089,870	(\$75,815)	489	17.76%	1.35
Government Agencies	\$15,134,059	\$15,117,384	\$14,880,115	(\$237,269)	468	23.99%	1.27
Government Bonds	\$12,909,121	\$12,917,312	\$12,843,560	(\$73,752)	452	20.47%	1.24
TOTAL	\$63,077,831	\$63,033,349	\$62,646,513	(\$386,836)	469	100.00%	1.28

Portfolio Diversification



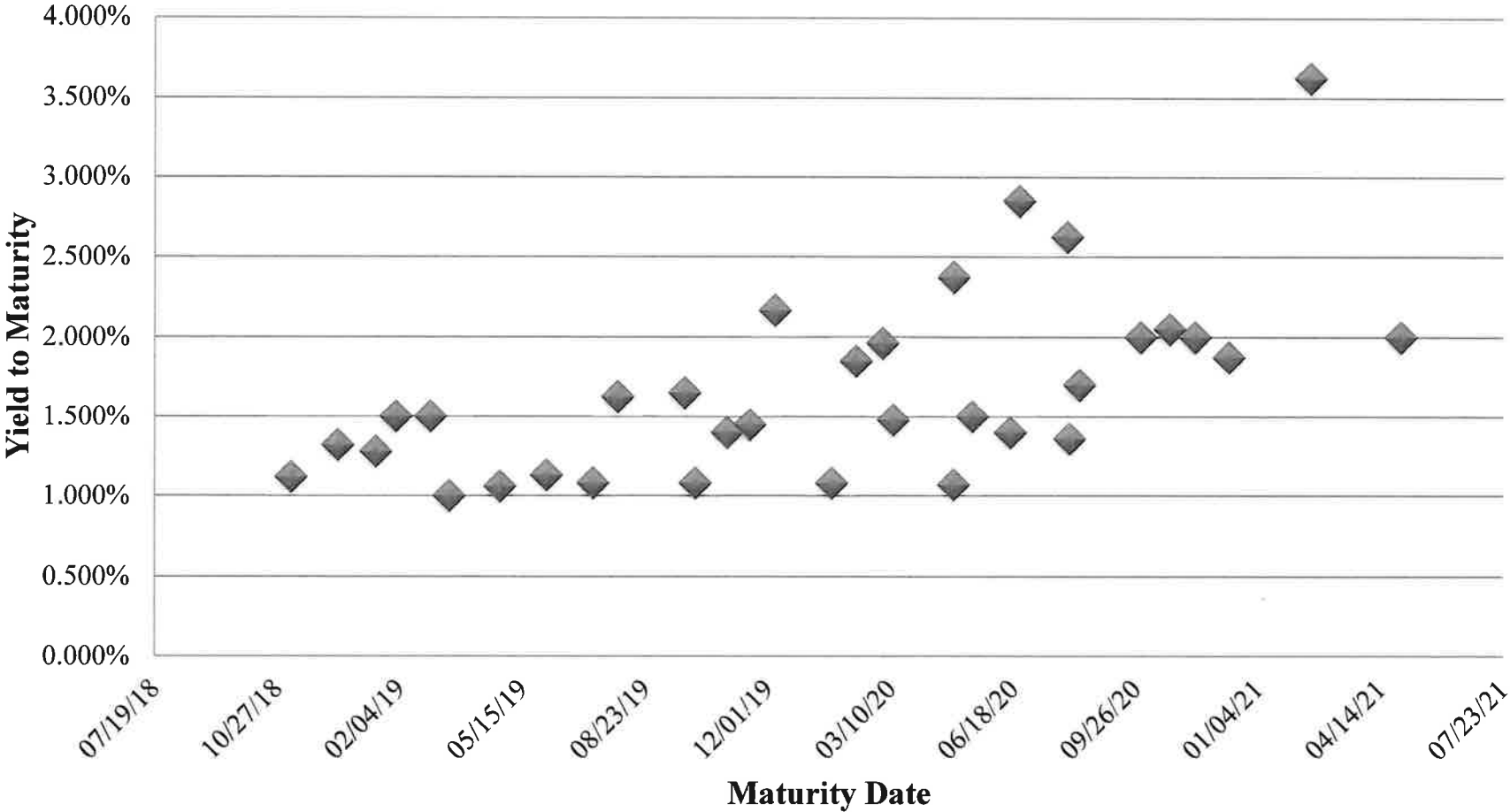
City of Lancaster
Maturity Distribution
September 30, 2018

Maturity	Historical Cost	Percent
Under 90 Days	\$26,379,750	41.82%
90 to 180 Days	\$4,665,125	7.40%
180 Days to 1 Year	\$6,323,548	10.02%
1 to 2 Years	\$12,653,664	20.06%
2 to 3 Years	\$13,055,743	20.70%
3 to 4 Years	\$0	0.00%
4 to 5 Years	\$0	0.00%
Over 5 Years	\$0	0.00%
	\$63,077,831	100.00%



City of Lancaster
Securities Held
September 30, 2018

Securities Held



STAFF REPORT
City of Lancaster

CC 4
10/23/18
MVB

Date: October 23, 2018

To: Mayor Parris and City Council Members

From: Britt Avrit, MMC, City Clerk

Subject: **Consideration of adoption of Ordinance No. 1050**

Recommendation:

Adopt **Ordinance No. 1050**, adding Chapter 2.40.045 to the Lancaster Municipal Code relating to electronic and paperless filing of Fair Political Practices Commission Campaign Disclosure Statements.

Fiscal Impact:

None for this action.

Background:

California Government Code section 84615 provides that a legislative body of a local government agency may adopt an ordinance that requires an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 of the Political Reform Act to file such statements, reports or other documents online or electronically with the City Clerk.

Adoption of this ordinance provides that in any instance in which the original statement is required to be filed with the Secretary of State and a copy of that statement is required to be filed with the local government agency, the filer may file the copy online or electronically, but is not required to do so.

At the October 9, 2018 City Council meeting, the City Council approved the introduction of Ordinance No. 1050 by the following vote:

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

Attachment:

Ordinance No. 1050

ORDINANCE NO. 1050

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER ADDING CHAPTER 2.40.045 TO THE LANCASTER MUNICIPAL CODE RELATING TO ELECTRONIC AND PAPERLESS FILING OF FAIR POLITICAL PRACTICES COMMISSION CAMPAIGN DISCLOSURE STATEMENTS

WHEREAS, public access to campaign disclosure information is an integral component of a fully informed electorate, and transparency is critical in order to maintain public trust and support of the political process; and

WHEREAS, since the enactment of the Political Reform Act, candidates and committees have complied with filing requirements by filing paper copies of campaign statements and reports; and

WHEREAS, the City Clerk of the City of Lancaster (“City Clerk”) is the Local Filing Officer for the Fair Political Practices Commission disclosure statements and is responsible for receiving, reviewing, and making available campaign disclosure statements; and

WHEREAS, the elimination of manual processing of filings through electronic filing requirements will conserve resources and ensure the public has access to the information disclosed in campaign statements; and

WHEREAS, the City Clerk has identified a web-based system that will allow electronic filing in compliance with California Government Code section 84615 and has been approved by the Secretary of State for the electronic filing of campaign disclosure statements; and

WHEREAS, the City Council of the City of Lancaster (“City Council”) finds and determines as follows:

A. That California Government Code section 84615 provides that a legislative body of a local government agency may adopt an ordinance that requires an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 of the Political Reform Act to file such statements, reports or other documents online or electronically with the City Clerk;

B. In any instance in which the original statement is required to be filed with the Secretary of State and a copy of that statement is required to be filed with the local government agency, the filer may file the copy online or electronically, but is not required to do so;

C. The City Council expressly finds and determines that the City Clerk's web- based system has been approved by the Secretary of State for the electronic filing of campaign disclosure statements, and that the software contains multiple safeguards to protect the integrity and security of the data, will operate securely and effectively, and will not unduly burden filers; and

D. The City Clerk will operate the electronic filing system in compliance with the requirements of California Government Code section 84615, as may be amended from time to time, and any other applicable laws.

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

Section 1. Section 2.40.045 of the Lancaster Municipal Code is hereby added as follows:

“Campaign Disclosure Statements, Electronic Filing

A. General.

1. Any elected officer, candidate, committee, or other person required to file statements, reports or other documents (“Statements”) as required by Chapter 4 of the Political Reform Act (California Government Code section 84100, *et seq.*) (“Filers”) may file such Statements using the City Clerk's online system according to procedures established by the City Clerk (the “Procedures”).

2. The City Clerk shall have the authority to establish and amend the Procedures, as necessary, to accomplish the following:

a. Ensure that the online system complies with the requirements set forth in Section 84615 of the Government Code, as may be amended from time to time;

b. Meet the purpose and intent of this ordinance and comply with other applicable law; and

c. Ensure the integrity of the data transmitted and include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.

3. Online filings made under this Chapter will only be accepted if made in the standardized record format that is developed by the California Secretary of State pursuant to Section 84602(a)(2) of the California Government Code, as may be amended from time to time, and that is compatible with the Secretary of State's system for receiving an online or electronic filing.

B. Procedures for Utilizing Online Filing

1. During the period commencing with the effective date of this Ordinance, an elected officer, candidate, or committee shall use the electronic filing system by electronically filing a Statement that is required to be filed with the City Clerk pursuant to Chapter 4 of the Political Reform Act (California Government Code Section 84100 *et seq.*), unless the officer, candidate or committee is exempt pursuant to California Government Code Section 84615.

2. Any elected officer, candidate, or committee who has electronically filed a statement using the City Clerk's online system is not required to file a copy of that document in paper format with the City Clerk.

3. The City Clerk shall issue an electronic confirmation that notifies the filer that the Statement was received, which notification shall include the date and the time that the Statement was received and the method by which the filer may view and print the data received by the City Clerk. The date of filing for a Statement filed online shall be the day that it is received by the City Clerk.

4. If the City Clerk's online system is not capable of accepting a Statement, an elected officer, candidate, or committee shall file that Statement in paper format with the City Clerk.

5. The online or electronic filing system shall include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury and verify filings pursuant to Section 81004.

6. The online filing system shall enable electronic filers to complete and submit filings free of charge.

C. Availability of Statements for Public Review, Record Retention

1. The City Clerk's system shall make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the Internet shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed by the filer. The City Clerk's office shall make a complete, unredacted copy of the statement, including any street names, building numbers, and bank account numbers disclosed by the filer, available to any persons, and available to any person upon request.

2. The City Clerk's office shall maintain, for a period of at least 10 years commencing from the date filed, a secured, official version of each online or electronic statement which shall serve as the official version of that record for purpose of audits and any other legal purpose.”

Section 2. Severability

If any portion of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid, unenforceable or unconstitutional, by a court of competent jurisdiction, that portion shall be deemed severable, and such invalidity, unenforceability or unconstitutionality shall not affect the validity or enforceability of the remaining portions of the Ordinance, or its application to any other person or circumstance. The City Council of the City of Lancaster hereby declares that it would have adopted each section, sentence, clause or phrase of this Ordinance, irrespective of the fact that any one or more other sections, sentences, clauses or phrases of the Ordinance be declared invalid, unenforceable or unconstitutional.

I, Britt Avrit, MMC, City Clerk of the City of Lancaster, do hereby certify that the foregoing ordinance was regularly introduced and placed upon its first reading on the 9th day of October, 2018, and placed upon its second reading and adoption at a regular meeting of the City Council on the 23rd day of October, 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 ORDINANCE
CITY COUNCIL

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Ordinance No. 1050, for which the original is on file in my office.

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

(seal)

STAFF REPORT
City of Lancaster

PH 1
10/23/18
MVB

Date: October 23, 2018
To: Mayor Parris and City Council Members
From: Jeff Hogan, Development Services Director

Subject: General Plan Amendment No. 18-02 and Zone Change No. 18-02 Generally Bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West (Assessor’s Parcel Numbers 3219-013-001, 3268-018-039, and 3268-018-900)

Recommendations:

- a. Adopt **Resolution No. 18-54**, approving General Plan Amendment No. 18-02, amending the General Plan land use designation from Urban Residential (UR) and Park (PK) to Non-Urban Residential (NU).
- b. Introduce **Ordinance No. 1051**, amending the city zoning plan for approximately 80 acres of a 424-acre site generally bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West, known as Zone Change No. 18-02, from R-7,000 (Single Family Residential, minimum lot size 7,000 square feet) and PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres).

Fiscal Impact:

None.

Background:

The applicant, San Pablo A, LLC (dba sPower), submitted applications for a General Plan Amendment (GPA), Zone Change (ZC), and Conditional Use Permit (CUP) for the development of a 100-megawatt photovoltaic solar facility on approximately 424 gross acres (414 net acres). In order to facilitate the development of the proposed solar facility, the applicant requested to amend the General Plan land use designation from UR and PK to NU, and zoning from R-7,000 and PK to RR-2.5 on 80 acres of the 424-acre site. The proposed change in the land use designation and zoning for the subject site would be consistent with the designation and zoning of the surrounding properties.

The Planning Commission held a public hearing on the proposed project on August 27, 2018, and voted (by a 3-2-0-1-1 vote) to approve the CUP, and recommend approval of the GPA and ZC to the City Council.

JS/jr

Attachments:

- Resolution No. 18-54
- Ordinance No. 1051
- Attachment A – PC Staff Report dated August 27, 2018

RESOLUTION NO. 18-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA APPROVING GENERAL PLAN AMENDMENT NO. 18-02, AMENDING THE GENERAL PLAN LAND USE DESIGNATION FROM URBAN RESIDENTIAL (UR) AND PARK (PK) TO NON-URBAN RESIDENTIAL (NU)

WHEREAS, the subject property is approximately 80 acres (of a 424-acre site) generally bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West (APNs: 3219-013-001, 3268-018-039, and 3268-018-900); and

WHEREAS, pursuant to Section 3.c. of City Council Resolution No. 93-07, San Pablo A, LLC (dba sPower) (“Applicant”) has initiated an application for a General Plan Amendment (GPA No. 18-02) to redesignate 80 acres (of a 424-acre site) from Urban Residential (UR) and Park (PK) to Non-Urban Residential (NU); and

WHEREAS, pursuant to Section 17.24.040 of the Lancaster Municipal Code (“LMC”), the Applicant has initiated an application (ZC No. 18-02), and requested a change to the zoning designation on the subject properties from R-7,000 (Single Family Residential, minimum lot size 7,000 square feet) and PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres); and

WHEREAS, Staff has performed necessary investigations, prepared a written report, and recommended approval of these applications, subject to conditions; and

WHEREAS, on August 27, 2018, the City’s Planning Commission held a public hearing on GPA No. 18-02 and ZC No. 18-02, notice of which was published and provided as required by law, and adopted Resolution No. 18-25 (the “Planning Commission Recommendation”) recommending to the City Council approval of GPA No. 18-02 and ZC No. 18-02; and

WHEREAS, the Planning Commission adopted and certified that it has reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act (“CEQA”) (including its implementing regulations). The Planning Commission found that the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures detailed in the Mitigated Negative Declaration. The Planning Commission found, pursuant to Section 21082.1 of the Public Resources Code, that the Mitigated Negative Declaration prepared for the proposed project reflects the independent judgement of the City of Lancaster.

WHEREAS, public notice was published and given as required by law, and a public hearing was held on October 23, 2018, before the City Council; and

WHEREAS, the City Council desires to approve and adopt GPA No. 18-02;

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

Section 1. That the foregoing Recitals are true, correct and a substantive part of this Resolution.

Section 2. That the City Council hereby adopts the following General Plan Amendment findings, pursuant to Section 17.24.140 of the LMC, in support of approval of this application:

- a. Information presented at public hearing shows that such amendment is necessary to implement the general plan and/or that the public convenience, the general welfare or good zoning practice justifies such action.

Section 3. That City Council staff is hereby authorized and directed to prepare, execute, and file a Notice of Determination pursuant to CEQA (including its implementing guidelines).

Section 4. That the City Council hereby approves GPA No. 18-02 to redesignate the subject property from UR and PK to NU.

PASSED, APPROVED and ADOPTED this 23rd day of October, 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. 18-54, 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)

ORDINANCE NO. 1051

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, AMENDING THE CITY ZONING PLAN FOR APPROXIMATELY 80 ACRES OF A 424-ACRE SITE GENERALLY BOUNDED BY AVENUE H, AVENUE G, 75TH STREET WEST, AND 90TH STREET WEST, KNOWN AS ZONE CHANGE NO. 18-02, FROM R-7,000 (SINGLE FAMILY RESIDENTIAL, MINIMUM LOT SIZE 7,000 SQUARE FEET) AND PK (PARK) TO RR-2.5 (RURAL RESIDENTIAL, MINIMUM LOT SIZE 2.5 ACRES)

WHEREAS, pursuant to Section 17.24.060 of the Lancaster Municipal Code, an application has been filed by San Pablo A, LLC (dba sPower) (“Applicant”), to change the zoning designation on approximately 80 acres (of a 424-acre project site) generally bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West (Assessor’s Parcel Numbers 3219-013-001, 3268-018-039, and 3268-018-900) from R-7,000 (single family residential, minimum lot size 7,000 square feet) and PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres); and

WHEREAS, a notice of intention to consider a zone change of the subject property was given, as required by Section 17.24.110 of the Lancaster Municipal Code and Sections 65854 and 65905 of the Government Code; and

WHEREAS, staff has performed the necessary investigations, prepared a written report, and recommended that the zone change request be approved; and

WHEREAS, public notice was provided as required by law, and a public hearing was held on August 27, 2018, at which the Planning Commission: (a) certified that it had reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act (including its implementing regulations) prior to taking action; and (b) found the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures as detailed therein; and

WHEREAS, the City Council desires to approve the Applicant’s request as set forth herein.

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

Section 1. The foregoing Recitals are true, correct and a substantive part of this Ordinance.

Section 2. The City Council hereby makes the following findings:

- (a) The proposed zone change from R-7,000 and PK to RR-2.5 is consistent with the General Plan land use designation of NU (Non-Urban Residential) proposed for the subject property.
- (b) Modified conditions warrant a revision in the zoning plan, as the proposed project is compatible with the existing land uses within the surrounding properties. The property surrounding the parcels is either zoned RR-2.5 or is located in the County and zoned A-2-2 (Heavy Agriculture, minimum lot size 2 acres) or A-2-2.5 (Heavy Agriculture, minimum lot size 2.5 acres).
- (c) A need for the proposed zoning classification of RR-2.5 exists in order to provide for a suitable site for development as a utility scale solar facility.
- (d) The particular property under consideration is a proper location for the RR-2.5 zoning classification, because it is compatible with the immediately surrounding property, which is zoned RR-2.5, A-2-2, and A-2-2.5. Single family homes and vacant land surround the subject site.

Section 3. The subject property is reclassified from R-7,000 and PK to RR-2.5.

Section 4. All environmental findings, and the Mitigated Negative Declaration, as contained in Attachment "B" of the Planning Commission Resolution No. 18-25, as hereby approved, adopted, and incorporated in this Ordinance.

Section 5. Any ordinance previously adopted by the City Council shall be and hereby is repealed if and to the extent inconsistent with this Ordinance; provided, however, that each such ordinance shall otherwise remain in full force and effect.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 7. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provision of law in that regard and this Ordinance shall take effect 30 days after adoption.

I, Britt Avrit, MMC, City Clerk of the City of Lancaster, do hereby certify that the foregoing ordinance was regularly introduced and placed upon its first reading on the 23rd day of October, 2018, and placed upon its second reading and adoption at a regular meeting of the City Council on the _____ day of _____, 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 ORDINANCE
CITY COUNCIL

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Ordinance No. 1051, for which the original is on file in my office.

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

(seal)

STAFF REPORT

**GENERAL PLAN AMENDMENT NO. 18-02, ZONE CHANGE NO. 18-02,
AND CONDITIONAL USE PERMIT NO. 18-04**

PC ACTION:


APPROVED (3-2-0-1-1)

NOES: Hall, Harvey; RECUSE: Moore

ABSENT: Cook

DATE: August 27, 2018

TO: Lancaster Planning Commission

FROM: Jocelyn Swain, Principal Planner
Community Development Division, Development Services Department 

APPLICANT: San Pablo A, LLC (dba sPower)

LOCATION: ±424 gross acres (414 net acres) generally bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West (Assessor's Parcel Numbers (APNs) 3219-012-001, 3219-013-001, 3219-015-001, 3268-018-039, 3268-018-900)

REQUEST: Amend the General Plan land use designation from Urban Residential (UR) and Park (PK) to Non-Urban Residential (NU); rezone the subject site from R-7,000 (single family residential, minimum lot size 7,000 square feet) and PK (Park) to RR-2.5 (Rural Residential, minimum lot size of 2.5 acres); and construction and operation of a 100-megawatt photovoltaic solar electric generating facility in the RR-2.5 zone

RECOMMENDATION: Adopt Resolution No. 18-25 approving Conditional Use Permit No. 18-04 to allow for the construction and operation of a 100-megawatt photovoltaic solar electric generating facility, adopting a mitigated negative declaration, and recommending approval of General Plan Amendment No. 18-02 and Zone Change No. 18-02 to the City Council

BACKGROUND

There have been no previous hearings before the Planning Commission or the City Council on the subject property.

GENERAL INFORMATION

Table 1 summarizes the general information concerning this project.

TABLE 1

ITEM	DESCRIPTION
APNS	3219-012-001, 3219-013-001, 3219-015-001, 3268-018-039, 3268-018-900
LOCATION	±424 gross acres generally bounded by Avenue H, Avenue G, 75 th Street West, and 90 th Street West. Approximately 10 acres of APN 3219-015-001 along Avenue H are not part of the project, resulting in 414 net acre project site.
ZONING AND LAND USE	<p>The project site has the following zoning and land use designations.</p> <ul style="list-style-type: none"> • APNs 3219-012-001, 3219-015-001: Designated as Non-Urban Residential (NU) and zoned RR-2.5 • APNs 3219-013-001, 3268-018-039: Designated as Urban Residential (UR) and zoned R-7,000 • APN 3268-018-900: Designated PK and zoned PK
SURROUNDING LAND USES AND ZONING	<p>North: Vacant/single family homes; A-2-2.5 (Heavy Agriculture, minimum, lot size 2.5 acres)</p> <p>South: Solar Facility and Del Sur Substation; RR-2.5</p> <p>East: Vacant, three single family homes at the northeast and southeast of 80th Street West and Avenue H and a single family home at southeast corner of Avenue G and 80th Street West; A-2-2.5 and A-2-2 (Heavy Agriculture, minimum lot size 2 acres)</p> <p>West: Vacant, solar fields, Del Sur Elementary School; RR-2.5, S (School), A-2-2.5</p>
CURRENT DEVELOPMENT	The project site is predominantly vacant with alfalfa fields and a vineyard on a portion of the site, and the remains of former residences located on other portions of the site. A single family residence and associated agricultural buildings are located on the 10 acres of APN 3219-015-001 that will not be developed with the solar facility.
ENVIRONMENTAL REVIEW	<p>An initial study (SCH # 2018071056) was prepared for the proposed project and circulated for a 30-day public review period in accordance with the California Environmental Quality Act (CEQA). The public review period started on July 24, 2018, and ended on August 23, 2018. Based on this information, staff has determined that a Mitigated Negative Declaration is warranted. Notice of intent to prepare a Mitigated Negative Declaration has been legally advertised.</p> <p>Effective January 1, 1991, applicants whose projects have the potential to result in the loss of fish, wildlife, or habitat through urbanization and/or land use conversion are required to pay filing fees as set forth under Section 711.4 of the Fish and Game Code.</p>

ITEM	DESCRIPTION
	Pursuant to Section 21089(b) of the Public Resources Code, the approval of a project is not valid, and no development right is vested, until such fees are paid.

PROJECT DESCRIPTION

The proposed project consists of a utility scale, 100-megawatt (MW) photovoltaic solar electric generating facility and multiple 34-kilovolt (kV) and 66-kV gen-tie lines (underground). The facility will be located on approximately 424 gross acres (only 414 will be developed) of previously disturbed, fallow, and active agricultural land and will operate year-round, producing electric power during daytime hours. Site preparation and construction of the facility is scheduled to start in late 2018 with construction completed and the facility commercially operational by the third quarter of 2019. Construction of the facility is anticipated to take between 10 and 14 months, and upon completion would operate for a minimum of 35 years. It is expected that construction of the facility will employ approximately 250 individuals with long-term maintenance providing two full-time positions.

The project will employ photovoltaic modules that convert sunlight directly into electrical energy without the use of heat transfer fluid or cooling water. The facility will include communication lines and underground 34-kV/66-kV gen-tie line(s) connecting the project to a previously approved and constructed substation located at Avenue G-12 and 100th Street West, and ultimately SCE’s Antelope Substation. These lines will run through one of three primary gen-tie corridors into the substation with minor deviations as necessary. The potential routes are as follows:

- West along Avenue G-8 extending south between 93rd Street West and 95th Street West, extending west along Avenue G-12
- West along Avenue G-12
- West along Avenue H, extending north along 100th Street West

A series of photovoltaic module arrays will be mounted on racking systems, typically supported by a pile driven foundation design. The module mounting system or racking system will be fixed tilt or tracker photovoltaic array configuration oriented to maximize the amount of incident solar radiation absorbed over the course of the year. For the tracking configuration, the modules will rotate from east to west over the course of the day. Energy storage will be provided on-site, and is a fully enclosed modular power storage system that uses telecommunication systems and real-time control software to charge and discharge the battery according to power delivery needs. Typical modular energy storage solutions are approximately 102 inches (8.5 feet) in height, and 20 to 40 feet in length. The energy storage solution would be located near inverters or switchgear.

Grading activity will be limited to access roads as required by the Fire Department, and the pads for inverters, transformers, and battery storage facilities, which will be paved in order to minimize dust generation throughout the construction and operation of the facility. Access to the project site will be provided on 80th Street West, 90th Street West, and Avenue G-8 with the access gates set back at least 50 feet in order to allow vehicles to completely pull off of the roadways. 90th Street West is paved, while both 80th Street West and Avenue G-8 are unpaved roadways. Driveways from the paved roadways will be paved.

A 10-foot landscaped buffer will be provided along the perimeter of the project site to screen the project site from public roadways, and in those areas immediately adjacent to single family residences. Specifically, landscaping will be provided along 80th Street West and 90th Street West. The existing landscaping along Avenue H will remain in place.

During operation, the proposed project will be operated remotely, with regular on-site personnel visitations for security, maintenance, and system monitoring. There will be no full-time site personnel onsite during operation. The developer will decommission and remove the system and its components at the end of the life of the facility. The project site could then be converted to other uses in accordance with applicable land use regulations in effect at that time. All decommissioning and restoration activities will adhere to the requirements of the appropriate governing authorities, and will be in accordance with all applicable federal, state, and City of Lancaster regulations. A collection and recycling program will be executed to dispose of the site materials.

In order to accommodate the development of the proposed project, the applicant is requesting to change the general plan designation and zoning on three of the five parcels (3219-013-001, 3268-018-039, 3268-018-900). Specifically, the applicant is requesting to amend the general plan designation for these parcels from UR and PK to NU, and the zoning from R-7,000 and PK to RR-2.5, which would allow the Conditional Use Permit (CUP) for the construction and operation of the photovoltaic solar electric generating facility.

GENERAL PLAN AMENDMENT FINDINGS

In order to grant a General Plan Amendment (GPA), Section 17.24.140 of the Lancaster Municipal Code states that the Planning Commission must show that such amendment is necessary to implement the General Plan and/or that the public convenience, the general welfare, or good zoning practice justifies such amendment.

The proposed amendment is necessary to implement the General Plan, because the proposed project helps achieve multiple goals, objectives and policies. The proposed project is consistent with the following Goals and Actions of the General Plan:

Policy 3.1.1: Ensure that development does not adversely affect the groundwater basin.

- Policy 3.1.3:** Encourage the use of recycled, tertiary treated wastewater when possible.
- Policy 3.2.1:** Promote the use of water conservation measures in the landscape plans of new developments.
- Specific Action 3.2.1(a)** Through the landscape plan check process, require the provision of drought-tolerant landscaping and water-saving irrigation systems for new residential, commercial, and industrial developments in accordance with City landscape ordinances.
- Policy 3.3.3:** Minimize air pollutant emissions generated by new and existing development.
- Policy 3.4.4:** Ensure that development proposals, including City sponsored projects, are analyzed for short and long-term impacts to biological resources, and that appropriate mitigation measures are implemented.
- Objective 3.5:** Preserve land resources through the application of appropriate soils management techniques, and the protection and enhancement of surrounding landforms and open space.
- Policy 3.5.1:** Minimize erosion problems resulting from development activities.
- Objective 3.6:** Encourage efficient use of energy resources through the promotion of efficient land use patterns, the incorporation of energy conservation practices into new and existing development, and appropriate use of alternative energy.
- Policy 3.6.6:** Consider and promote the use of alternative energy, such as wind energy and solar energy.
- Specific Action 3.6.6(a):** Work with utility companies and private enterprises in their efforts to incorporate alternative energy resources, including, but not limited to, wind and solar energy.
- Specific Action 4.3.2(d):** As a condition of approval, limit non-emergency construction activities to daylight hours between sunrise and 8:00 p.m.

The project site is surrounded by a mix of residential, utility scale solar, school uses, and vacant land. The change in the general plan designations for a portion of the project site would provide for a cohesive designation across the entire area as the existing UR and PK designations are not compatible with the surrounding area. The addition of the proposed project would not be out of

character with the other uses in the area, as utility scale solar facilities are located to the west and south of the project, with other solar development in the general area. A 10-foot landscaped buffer would be provided along 90th Street West, 80th Street West, and the existing landscaping would remain along Avenue H.

ZONE CHANGE FINDINGS

In order to grant a Zone Change (ZC), Section 17.24.120 of the Lancaster Municipal Code states that the Planning Commission must make all of the following findings:

1. *That modified conditions warrant a revision in the zoning plan as it pertains to the area or district under consideration.*

Modified conditions warrant a revision in the zoning plan, as the proposed project site is compatible with the existing land uses within the surrounding properties. The proposed RR-2.5 zone will be compatible with the existing zones for the properties surrounding the project site, which include RR-2.5, S, A-2-2 and A-2-2.5. These zones allow for the same types of uses as are being proposed on the project site.

2. *That a need for the proposed zone classification exists within such area or district.*

A need for the proposed zoning classification of RR-2.5 exists to ensure that the project site is compatible with the surrounding land uses, and to facilitate the development of the project site with utility-scale solar. The classification for the subject properties permit UR uses and PK facilities, which are not in character with the surrounding Rural Residential and agricultural zones.

3. *That the particular property under consideration is a proper location for said zone classification within such area or district.*

The subject property under consideration for the zone change is a proper location for the RR-2.5 zoning classification, as the area surrounding these parcels and in the general vicinity is similarly zoned with the RR-2.5 classification, or are located in the unincorporated county area and are zoned A-2-2 or A-2-2.5. These designations allow for similar type uses as the proposed project.

4. *That placement of the proposed zone at such location will be in the interest of public health, safety and general welfare, and in conformity with good zoning practice.*

Placement of the proposed zone at the location will be in the interest of public health, safety and general welfare, and in conformity with good zoning practice, because it will make the zoning of the subject parcels consistent with the surrounding properties and remove urban zoning designations that currently exist. Additionally, implementation of

hazards (potential asbestos and lead based paint) from the former residential structures on the project site.

CONDITIONAL USE PERMIT FINDINGS

The City of Lancaster has determined that the development and use of alternative energy is beneficial to the community, and this determination is evident in the decisions made by the City Council. The City Council has implemented several solar and wind energy programs/ordinances, installed solar panels on City facilities, become a provider of solar generated electricity to local school districts and other entities, and created Lancaster Choice Energy, a community choice aggregator. The City's General Plan has several objectives/policies pertaining to alternative energy, which address the need to develop new sources of energy, as well as reduce energy consumption as addressed above. The State of California has a mandate that requires all electricity providers to obtain 33 percent of their electricity from renewable sources by 2020, and 50 percent by 2030. While the City encourages businesses and residences to install solar on their rooftops, carports, shade structures, etc., this type of behind-the-meter solar is limited to a portion of peak demand due to utility tariffs. The placement of solar facilities on the west side of Lancaster is attractive to solar developers for a number of reasons, including the availability of previously disturbed land, the proximity of existing transmission lines, and capacity at existing substations.

The project site would be developed with rows of photovoltaic panels on single axis trackers. These panels are anticipated to be between 8 and 10 feet in height, and would not exceed 14 feet. This is substantially below the maximum allowable height of 35 feet for single family residences in this zone. Battery storage would be placed next to the inverters pads located throughout the project site. An 8-foot chain-link fence would surround the project site, and a 10-foot landscaped area would be provided between the fence and property line, as noted on the site plan, to screen the development from public views along adjacent roadways and portions of the site that are adjacent to existing residential uses. The perimeter of the property that is not easily viewed from public roadways (e.g., next to another solar facility, etc.) would not have landscaping. Access to the various parts of the project site would be provided from a total of four gates. These gates are located on 80th Street West, 90th Street West, and Avenue G-8, and would be set back 50 feet from the edge of right-of-way to allow vehicles to fully pull off the roadway when accessing the project site. Water tanks for fire department purposes would be provided at all of the access gates.

Irrevocable offers of dedication would be provided for Avenue G-10, Avenue G-8, Avenue G-6, Avenue G-4, Avenue G, 90th Street West, 88th Street West, 85th Street West, 82nd Street West, 80th Street West, and 78th Street West. Specifically, irrevocable offers of dedication would be provided for Avenue G, 90th Street West, and 80th Street West at 50 feet from centerline; Avenue G-8, and 85th Street West at 42 feet from centerline; and Avenue G-10, Avenue G-6, Avenue G-4, 88th Street West, 82nd Street, and 78th Street West at 30 feet from centerline.

The Initial Study/Mitigated Negative Declaration prepared for the proposed project examined the environmental impacts on 18 different resources areas, and mitigation measures were provided for potentially significant impacts. Specifically, mitigation measures were provided related to air quality (Valley Fever), biological resources, cultural resources, geology, hazards/hazardous materials, and noise. These measures are detailed in the Mitigation Monitoring Plan (Exhibit "B" of the Resolution) and in the conditions of approval. With implementation of the identified mitigation measures, all project-specific and cumulative impacts would be reduced to less than significant levels. All environmental impacts associated with operation of the proposed project would be less than significant.

In order to grant a CUP, Section 17.32.090 of the Lancaster Municipal Code states that the Planning Commission must make all of the following findings:

1. *That the proposed use will not be in substantial conflict with the adopted general plan for the area.*

With the approval of the GPA and ZC, the proposed use would not be in substantial conflict with the adopted general plan for the area, because the proposed project would be in conformance. The proposed use would be consistent with goals, objectives, and policies of the General Plan and would implement those policies and specific actions associated with the encouragement and development of alternative energy uses. Specifically, the proposed project would implement Policy 3.6.6, which states "consider and promote the use of alternative energy such as wind energy and solar energy."

2. *That the requested use at the location proposed will not:*
 - a. *Adversely affect the health, peace, comfort, or welfare of persons residing or working in the surrounding area, or*
 - b. *Be materially detrimental to the use, enjoyment or valuation of property of other persons located in the vicinity of the site, or*
 - c. *Jeopardize, endanger or otherwise constitute a menace to the public health, safety or general welfare.*

The project site would be fenced and landscaping would be provided along major roadways, and between the project site and adjacent residential uses. All development standards associated with the proposed use and zone would be met, any necessary parking would be provided, and the panels and trackers are silent or produce minimal amounts of noise. The proposed panels are approximately 10 feet in height, and would not exceed a maximum of 14 feet. Other equipment would be approximately the same, or slightly lower. This is below the maximum height of the rural residential zones. Additionally, the panels and associated infrastructure would be set back from the edge of the property line

due to the landscaping buffer and the perimeter access roads. All necessary utilities would be provided as part of the proposed project and mitigation measures have been provided to reduce the potential to expose individuals to valley fever from construction and operational activities. Therefore, the project would not adversely affect the health, peace, comfort, or welfare of persons living in the surrounding area; be materially detrimental to the use, enjoyment, or valuation of property of other persons located in the vicinity of the site; or jeopardize, endanger or otherwise constitute a menace to public health, safety, or general welfare.

3. *That the proposed site is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this title, or as is otherwise required in order to integrate said use with the uses in the surrounding area.*

The proposed use will not adversely affect nearby residents, because the proposed use would be screened by landscaping, the maximum height of the panels are 14 feet, the panels and trackers are not noise generators, and there is limited vehicle traffic that would occur once construction has been completed. The project site is approximately 424 gross acres (414 net developable acres), is adequate in size for the development of a 100-MW solar facility, and will allow the proposed project to meet the development standards of the zone.

4. *That the proposed site is adequately served:*
 - a. *By highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate, and;*
 - b. *By other public or private service facilities as are required.*

Adequate access to the project site can be provided by Avenue H, 90th Street West, 80th Street West, Avenue G-8, and Avenue G. These roadways are of sufficient width and improved as necessary to carry the anticipated daily vehicle trips such use would generate. Additionally, public utilities and services that are necessary for the construction and operation of the proposed project are available or can be provided.

LEGAL NOTICE

Notice of Public Hearing was mailed to all property owners within 1,500-foot radius of the project, posted in three places, posted on the subject property, and noticed in the Antelope Valley (AV) Press on August 8, 2018.

PC Staff Report
GPA No. 18-02/ZC No. 18-02/CUP No. 18-04
August 27, 2018
Page 10

RECOMMENDATION

Adopt Resolution No. 18-25 approving Conditional Use Permit No. 18-04 to allow for the construction and operation of a 100-megawatt photovoltaic solar electric generating facility, adopting a mitigated negative declaration, and recommending approval of General Plan Amendment No. 18-02 and Zone Change No. 18-02 to the City Council.

Attachments:

Resolution No. 18-25
Draft Ordinance

RESOLUTION NO. 18-25

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LANCASTER, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 18-04 TO ALLOW FOR THE CONSTRUCTION AND OPERATION OF A 100-MEGAWATT PHOTOVOLTAIC SOLAR ELECTRIC GENERATING FACILITY ON 424 GROSS ACRES GENERALLY BOUNDED BY AVENUE H, AVENUE G, 75TH STREET WEST AND 90TH STREET WEST (APNS: 3219-012-001, 3219-013-001, 3219-015-001, 3268-018-039, 3268-018-900), AND RECOMMENDING APPROVAL OF GENERAL PLAN AMENDMENT NO. 18-02 AND ZONE CHANGE NO. 18-02 TO THE CITY COUNCIL

WHEREAS, a Conditional Use Permit has been requested by San Pablo A, LLC (dba sPower) ("Applicant"), to allow for the construction and operation of a 100-megawatt photovoltaic solar electric generating facility on 424 gross acres generally bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West (APNs: 3219-012-001, 3219-013-001, 3219-015-001, 3268-018-039, 3268-018-900); and

WHEREAS, pursuant to Section 3.c. of City Council Resolution No. 93-07, the Applicant has initiated applications for (a) General Plan Amendment No. 18-02 ("GPA 18-02"), and (b) Zone Change No. 18-02 ("ZC 18-02"), to redesignate portions (APNs 3219-013-001, 3268-018-039, 3268-018-900) of the project site from Urban Residential (UR) and Park (PK) to Non-Urban Residential (NU); and

WHEREAS, pursuant to Section 17.24.040 of the Lancaster Municipal Code ("LMC"), the Applicant has requested the Planning Commission consider a change to the zoning designation on portions (APNs 3219-013-001, 3268-018-039, 3268-018-900) of the subject property from R-7,000 (Single Family Residential, minimum lot size 7,000 square feet) and PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres); and

WHEREAS, an application for the above-described Conditional Use Permit, has been filed pursuant to the regulations contained in Chapters 17.32, of the LMC; and

WHEREAS, a notice of intention to consider the granting of a Conditional Use Permit has been published and provided as required by Chapter 17.32 of the LMC, and Section 65905 of the Government Code; and

WHEREAS, pursuant to Section 17.24.070 of the LMC a notice of intention to consider the GPA 18-02 and ZC 18-02 was published and provided as required by Chapter 17.36.020.A of the LMC, and Sections 65854 and 65905 of the Government Code; and

WHEREAS, staff has performed the necessary investigations, prepared a written report, and recommended that GPA 18-02, ZC 18-02, and Conditional Use Permit No. 18-04 be approved, subject to conditions; and

WHEREAS, public notice was published and given as required by law, and a public hearing was held on August 27, 2018; and

WHEREAS, the Planning Commission, desires to recommend that the City Council approve and adopt GPA 18-02 and ZC 18-02; and

WHEREAS, the Planning Commission after considering all evidence presented, desires to approve Applicant's requested Conditional Use Permit; and

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF LANCASTER, DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. That the foregoing Recitals are true, correct and a substantive part of this Resolution.

Section 2. That the Planning Commission hereby adopts the following General Plan Amendment findings, pursuant to Section 17.24.140 of the LMC, in support of approval of this application:

- a. Information presented at public hearing shows that such amendment is necessary to implement the general plan and/or that the public convenience, the general welfare or good zoning practice justifies such action.

Section 3. That the Planning Commission hereby adopts the following Zone Change findings, pursuant to Section 17.24.120 of the LMC, in support of approval this application:

- a. That modified conditions warrant a revision in the zoning plan as it pertains to the area or district under consideration; and
- b. That a need for the proposed zone classification exists within such area or district; and
- c. That the particular property under consideration is a proper location for said zone classification within such area or district; and
- d. That placement of the proposed zone at such location will be in the interest of public health, safety and general welfare and in conformity with good zoning practice.

Section 4. That the Planning Commission hereby adopts the following Conditional Use Permit findings, pursuant to Section 17.32.090 of the LMC, in support of approval this application:

- a. That the proposed use will not be in substantial conflict with the adopted general plan for the area.
- b. That the requested use at the location proposed will not:
 1. Adversely affect the health, peace, comfort or welfare of persons residing or working in the surrounding area, or

2. Be materially detrimental to the use, enjoyment or valuation of property of other persons located in the vicinity of the site, or
 3. Jeopardize, endanger or otherwise constitute a menace to the public health, safety or general welfare.
- c. That the proposed site is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this title, or as is otherwise required in order to integrate said use with the uses in the surrounding area.
- d. That the proposed site is adequately served:
1. By highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate, and;
 2. By other public or private service facilities as are required.

Section 5. That the Planning Commission hereby certifies that it has reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act (“CEQA”) (including its implementing regulations) prior to taking action. The Planning Commission hereby finds that the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures as detailed in the Mitigated Negative Declaration. The Planning Commission hereby finds, pursuant to Section 21082.1 of the Public Resources Code, that the Mitigated Negative Declaration prepared for the proposed project reflects the independent judgement of the City of Lancaster.

Section 6. That Planning Commission staff is hereby authorized and directed to prepare, execute, and file a Notice of Determination pursuant to CEQA (including its implementing guidelines).

Section 7. That the Planning Commission hereby adopts the Mitigation Monitoring Program included in the Mitigated Negative Declaration.

Section 8. That the Planning Commission hereby approves Conditional Use Permit No. 18-04, subject to the conditions attached hereto and incorporated herein.

Section 9. That the Planning Commission hereby recommends that the City Council approve GPA 18-02 to redesignate the portions of the subject property from UR and PK to NU.

Section 10. That the Planning Commission hereby recommends that the City Council approve ZC 18-02 to rezone portions of the subject property from R-7,000 and PK to RR-2.5.

Section 11. The Planning Commission staff is authorized and hereby directed to transmit this Resolution to the City Council as required by 65855 of the Government Code.

PASSED, APPROVED and ADOPTED this 27th day of August 2018, by the following vote:

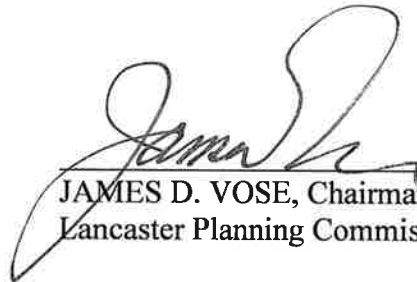
AYES: Mercy, Smith, and Vose.

NOES: Hall and Harvey.

ABSTAIN: None.


RECUSED: Moore.

ABSENT: Cook.



JAMES D. VOSE, Chairman
Lancaster Planning Commission

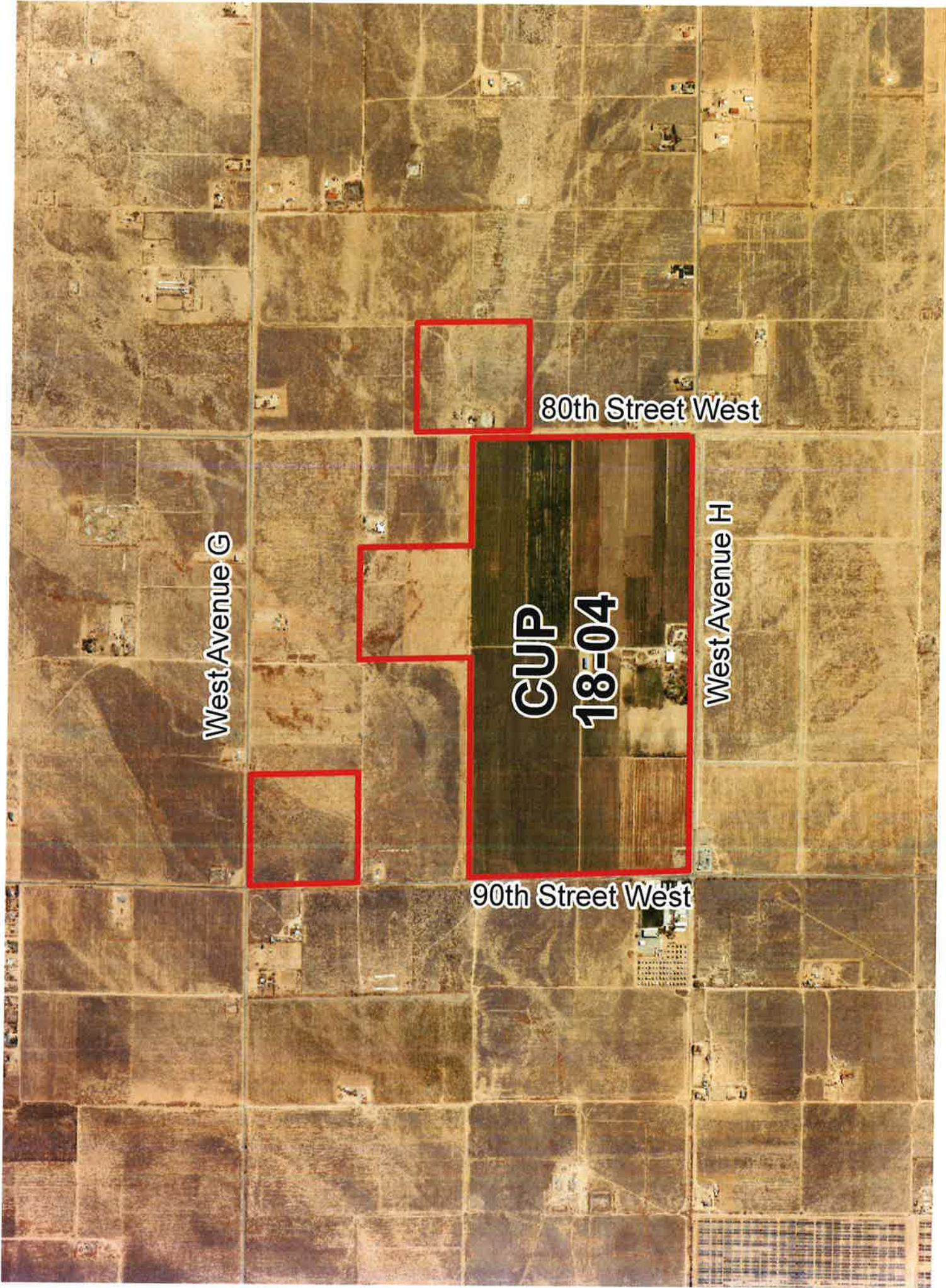
ATTEST:



LARISSA DE LA CRUZ, Community Development Manager
City of Lancaster

Attachments:

- A. Conditions List
- B. Initial Study/Mitigated Negative Declaration
- C. Mitigation Monitoring Program



80th Street West

West Avenue G

CUP
18-04

West Avenue H

90th Street West

**ATTACHMENT TO PC RESOLUTION NO. 18-25
GENERAL PLAN AMENDMENT NO. 18-02/ZONE CHANGE NO. 18-02
CONDITIONAL USE PERMIT NO. 18-04
CONDITIONS LIST
August 27, 2018**

GENERAL ADVISORY

1. All standard conditions as set forth in Planning Commission Resolution No. 10-23 shall apply, except Condition Nos. 4, 6, 7a, 7b, 7e, 13, 14, 17, 18, 19, 22, 24, 25, 27, 28, 29, 30, 42, 47, 48, and 49.
2. Applicant shall comply with the requirements of California Sales and Use Tax Regulation 1699, subpart (h), Regulation 1699.6 and Regulation 1802, subparts (c) and (d), respectively, and shall cooperate with the City regarding their direct and indirect purchases and leases to ensure compliance with the above sections, including, if necessary, the formation and use of buying companies, and the direct reporting of purchases of over \$500,000.
3. The applicant shall defend, indemnify, and hold harmless the City and its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void, or annul, an approval of the City concerning this conditional use permit, and the use(s) and development permitted by its approval. The City shall promptly notify the applicant of any claim, action, or proceeding and shall cooperate fully in the defense; this condition shall not be imposed if the City fails to promptly notify the applicant or fails to cooperate fully in the defense.
4. Per the direction of the Development Services Director, no unscreened outdoor storage of any kind would be allowed on the site.
5. Per the direction of the Development Services Director, barbed wire is acceptable on the top of the fence to provide site security, but not razor wire.
6. The applicant shall provide restroom facilities for use by maintenance staff.
7. The applicant shall submit a soils report on the properties of soils as detailed in Chapter 18 of the latest edition of the California Building Code and as required by the Development Services Department on all building sites.
8. Prior to issuance of an encroachment permit, the applicant shall obtain encroachment permit agreements for any generation-tie line or any other facilities in existing or future public right-of-ways or easements.

STREETS

9. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from centerline on Avenue G-10 fronting the project site, as directed by the City Engineer.

10. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 42 feet from centerline on the south side of Avenue G-8 fronting the project site, as directed by the City Engineer.
11. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 42 feet from centerline on the north side of Avenue G-8 fronting the project site, as directed by the City Engineer.
12. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from centerline on Avenue G-6 fronting the project site, as directed by the City Engineer.
13. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from the centerline on the south side of Avenue G-4 fronting the project site, as directed by the City Engineer.
14. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from centerline on the north side of Avenue G-4 fronting the project site, as directed by the City Engineer.
15. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication, in addition to the existing street right-of-way, for a total of 50 feet from centerline along Avenue G fronting the project site, as directed by the City Engineer.
16. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication, in addition to the existing street right-of-way, for a total of 50 feet from centerline along 90th Street West fronting the project site, as directed by the City Engineer.
17. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from centerline on 88th Street West fronting the project site, as directed by the City Engineer.
18. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 42 feet from centerline on 85th Street West fronting the project site, as directed by the City Engineer.
19. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from centerline on 82nd Street West fronting the project site, as directed by the City Engineer.
20. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication, in addition to the existing street right-of-way, for a total of 50 feet from centerline on 80th Street West fronting the project site, as directed by the City Engineer.

21. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from centerline on 78th Street West fronting the project site, as directed by the City Engineer.
22. Prior to certificate of completion, the applicant shall pave any driveways that take access from any of the paved streets.
23. Prior to certificate of completion, any public street surfaces damaged by construction traffic shall be restored to its pre-existing condition.
24. The proposed project shall comply with the City of Lancaster Holiday Moratorium Policy. No excavation or work shall occur within the public right-of-way on Primary Arterials, Secondary Arterials, and Collector Streets between November 15th and January 2nd, except work pertaining to public safety or with the written permission of the City Manager. Work commenced prior to the restriction period must be in such a condition that it will be resurfaced prior to November 15th.

GRADING/DRAINAGE

25. Prior to issuance of a grading permit, the applicant shall submit a grading plan consistent with the approved site plan and conditions of approval. The grading plan shall be based on an approved drainage area study and hydrology/hydraulic report, detailed recent topographic survey, and a detailed engineering soils report specifically approved by the geologist and/or soils engineer that addresses all submitted recommendations.
26. Provide for contributory drainage from adjoining properties and return drainage to its natural conditions or secure off-site drainage acceptance letters from affected property owners.
27. Prior to issuance of building permits, dedicate OR grant an irrevocable offer of dedication for the future 90-foot Master Planned Drainage channel located in Avenue G-8 as shown on the site plan.
28. Prior to the issuance of grading and building permits, the applicant shall submit, and have approved by the City Engineer, a hydrology and hydraulics study, which calculates the flows and adequately sizes the pipes necessary to convey the calculated flows. The study shall be prepared in accordance with the City of Lancaster's Engineering Design Guidelines.
29. Prior to the issuance of a certificate of completion, the applicant shall dedicate any additional right-of-way along Avenue G-8 necessary for the installation of the Master Plan of Drainage Facilities as determined by the approved hydrology and hydraulics study.
30. The Preliminary Grading Plan shows an import/export of 0 CY of material to/from the project. Prior to commencing hauling operations for this project, the applicant shall obtain a hauling permit for hauling material within the public right-of-way including the export/receiving site and an exhibit of the proposed haul route. The applicant is responsible

to obtain approval from all applicable agencies for the material hauling operation. The designated haul route shall be designed to the requirements of the City of Lancaster Design Guidelines, Standards, and Municipal code and to the satisfaction of the Development Services Director.

- The applicant shall comply with the following requirements for the material hauling operation:
 - i. The hours of operation shall be approved by the Development Services Director.
 - ii. Provide non-stop street sweeping service on all City streets along the haul route during all hours of work to the satisfaction of the Development Services Director.
 - iii. Provide traffic control and flagging personnel along the haul route to the satisfaction of the Development Services Director.
 - iv. When required by the Development Services Director, the applicant shall post a security to serve as surety of repair in the event facilities within the City right-of-way are adversely impacted by the hauling operations.
- Prior to issuance of certificate of completion and release of security, the applicant shall repair any pavement damaged by the material hauling operation to the satisfaction of the Development Services Director. The security will not be reduced or released or certificate of completion given until the completion of the repair work. The limits of the road repairs shall be consistent with the approved haul route and determined by the Development Services Director.

ADDITIONAL CONDITIONS

31. The development shall comply with all requirements of Ordinance No. 907 and the State of California Model Water Efficient Landscape Ordinance. The requirements are subject to revision, upon adoption of the City's updated Water Efficient Landscape Ordinance.
32. Per the direction of the Development Services Director, the applicant shall screen the project site through the installation of a 10-foot wide landscaped planter as shown on the approved site plan.
33. Grading on the project site shall be kept to the minimum required in order to construct the proposed project, as determined by the Development Services Director. Specifically, grading shall be limited to roadways, pads for inverters and transformers, battery storage, and trenching necessary for cables and electrical wires.

34. The property owner shall immediately notify the City in writing upon the cessation of use of the solar power facility, and shall ensure that all equipment and structures used as part of the solar power facility shall be removed within one hundred eighty days following the termination of its operation.

MITIGATION MEASURES

35. Prior to ground disturbance activities, the project operator shall provide evidence to the Development Services Director that the project operator and/or construction manager has developed a "Valley Fever Training Handout", training, and schedule of sessions for education to be provided to all construction personnel. All evidence of the training session materials, handout(s) and schedule shall be submitted to the Development Services Director within 24 hours of the first training session. Multiple training sessions may be conducted if different work crews will come to the site for different stages of construction; however, all construction personnel shall be provided training prior to beginning work. The evidence submitted to the Development Services Director regarding the "Valley Fever Training Handout" and Session(s) shall include the following:
- a. A sign-in sheet (to include the printed employee names, signature, and date) for all employees who attended the training session.
 - b. Distribution of a written flier or brochure that includes educational information regarding the health effects of exposure to criteria pollutant emissions and Valley Fever.
 - c. Training on methods that may help prevent Valley Fever infection.
 - d. A demonstration to employees on how to use personal protective equipment, such as respiratory equipment (masks), to reduce exposure to pollutants and facilitate recognition of symptoms and earlier treatment of Valley Fever. Where respirators are required, the equipment shall be readily available, and shall be provided to employees for use during work. Proof that the demonstration is included in the training shall be submitted to the County. This proof can be via printed training materials/agenda, DVD, digital media files, or photographs.

The project operator also shall consult with the Los Angeles County Public Health to develop a Valley Fever Dust Management Plan that addresses the potential presence of the *Coccidioides* spore and mitigates for the potential for *Coccidioidomycosis* (Valley Fever). Prior to issuance of permits, the project operator shall submit the Plan to the Los Angeles County Public Health for review and approval. The Plan shall include a program to evaluate the potential for exposure to Valley Fever from construction activities, and to identify appropriate safety procedures that shall be implemented, as needed, to minimize personnel and public exposure to potential *Coccidioides* spores. Measures in the Plan shall include the following:

- a. Provide HEP-filters for heavy equipment equipped with factory enclosed cabs capable of accepting the filters. Cause contractors utilizing applicable heavy equipment to furnish proof of worker training on proper use of applicable heavy equipment cabs, such as turning on air conditioning prior to using the equipment.
- b. Provide communication methods, such as two-way radios, for use in enclosed cabs.
- c. Require National Institute for Occupational Safety and Health (NIOSH)-approved half- face respirators equipped with minimum N-95 protection factor for use during worker collocation with surface disturbance activities, as required per the hazard assessment process.
- d. Cause employees to be medically evaluated, fit-tested, and properly trained on the use of the respirators, and implement a full respiratory protection program in accordance with the applicable Cal/OSHA Respiratory Protection Standard (8 CCR 5144).
- e. Provide separate, clean eating areas with hand-washing facilities.
- f. Install equipment inspection stations at each construction equipment access/egress point. Examine construction vehicles and equipment for excess soil material and clean, as necessary, before equipment is moved off-site.
- g. Train workers to recognize the symptoms of Valley Fever, and to promptly report suspected symptoms of work-related Valley Fever to a supervisor.
- h. Work with a medical professional to develop a protocol to medically evaluate employees who develop symptoms of Valley Fever.
- i. Work with a medical professional, in consultation with the Los Angeles County Public Health, to develop an educational handout for on-site workers and surrounding residents within three miles of the project site, and include the following information on Valley Fever: what are the potential sources/ causes; what are the common symptoms; what are the options or remedies available should someone be experiencing these symptoms; and where testing for exposure is available. Prior to construction permit issuance, this handout shall have been created and reviewed by the project operator, and reviewed by the Development Services Director. No less than 30 days prior to any work commencing, this handout shall be mailed to all existing residences within three miles of the project boundaries.
- j. When possible, position workers upwind or crosswind when digging a trench or performing other soil-disturbing tasks.

- k. Prohibit smoking at the worksite outside of designated smoking areas; designated smoking areas will be equipped with handwashing facilities.
 - l. Post warnings on-site and consider limiting access to visitors, especially those without adequate training and respiratory protection.
 - m. Audit and enforce compliance with relevant Cal OSHA health and safety standards on the job site.
36. Burrowing owl protocol surveys shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established burrowing owl protocols. If burrowing owls are identified using the project site, buffer areas where no activity occurs shall be established around the occupied burrows. A buffer of 50 meters shall be established during the non-breeding season, and the buffer zone increased to 75 meters during the breeding season.
37. A Swainson's hawk survey shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established Swainson's hawk protocols. No construction shall occur within 0.5 miles of an active Swainson's hawk nest or within 500 feet of active nests for other raptors.
38. A nesting bird survey shall be conducted within 30 days prior to the start of construction/ground disturbing activities. If nesting birds are encountered, all work in the area shall cease until either the young birds have fledged, or the appropriate permits are obtained from the California Department of Fish and Wildlife.
39. A pre-construction coast horned lizard and silvery legless lizard survey shall be conducted within 30 days prior to the start of construction/ground disturbing activities. If coast horned lizards or silvery legless lizards are discovered during the survey, the applicant shall contact the California Department of Fish and Wildlife to determine the appropriate mitigation/management requirements for the species.
40. A preconstruction survey for American badger and desert kit fox shall be conducted no more than 30 days prior to the start of construction. In the event that potential dens are observed, the following buffer distances shall be established prior to construction activities:
- Desert kit fox or American badger potential den: 30 feet
 - Desert kit fox active den: 100 feet
 - Desert kit fox natal den: 500 feet

If avoidance of potential dens is not possible, the following measures shall be enacted:

- If the qualified biologist determines that potential dens are inactive, the biologist shall excavate these dens by hand with a shovel to prevent foxes from re-using them during construction.
 - If the qualified biologist determines that potential dens may be active, an on-site passive relocation program shall be implemented. This program shall consist of excluding foxes from occupied burrows by installation of one-way doors at burrow entrances, monitoring of the burrow for one week to confirm usage has been discontinued, and excavation and collapse of the burrow to prevent reoccupation. After the qualified biologist determines that badgers and foxes have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction.
41. The applicant shall consult with the California Department of Fish and Wildlife to determine whether or not a Section 1602 Streambed Alteration Agreement is required prior to any work occurring within the delineated features along the potential gen-tie routes. If a Streambed Alteration Agreement is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).
42. The applicant shall coordinate with the Lahontan Regional Water Quality Control Board to determine whether the applicant is required to obtain a Report of Waste Discharge prior to any work occurring within the delineated features along the potential gen-tie routes. If this permit is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).
43. In the event that previously unknown cultural resources are identified during construction, the following requirements shall apply:
- a. If human remains or funerary objects are encountered during any construction activities associated with the proposed project, work within a 100-foot buffer shall cease, and the County Coroner shall be contacted pursuant to State Health and Safety Code Section 7050.5.
 - b. In the event that Native American cultural resources are discovered during any construction activities, all work within a 60-foot buffer shall cease and a qualified archaeologist meeting the Secretary of the Interior standards shall be hired to assess the find. The San Manuel Band of Mission Indians shall be contacted and provided information, and invited to perform a site visit in conjunction with the archaeologist to provide Tribal input.
 - c. If significant Native American resources are discovered, and avoidance cannot be ensured, a Secretary of the Interior qualified archaeologist shall be retained to develop a cultural resource Treatment Plan, as well as a Discovery and Monitoring Plan. A copy of the draft document shall be provided to the San Manuel Band of Mission Indians for review and comment. All in-field investigation, assessment,

and/or data recovery pursuant to the Treatment Plan shall be monitored by a Tribal Monitor. Additionally, the applicant and City of Lancaster shall consult with the San Manuel Band of Mission Indians on the disposition and treatment of any artifacts, or other cultural materials, encountered during the project.

44. The applicant shall, in good faith, contact the Fernandeno Tataviam Band of Mission Indians to discuss and address concerns associated with the development of the site. A copy of any concerns and the proposed resolution/agreement shall be submitted to the City prior to the issuance of permits.
45. The applicant shall submit a Dust Control Plan to the Antelope Valley Air Quality Management District (AVAQMD) for review and approval in accordance with Rule 403, Fugitive Dust, prior to the issuance of any grading and/or construction permits. This plan shall demonstrate adequate water or dust suppressant application equipment to mitigate all disturbed areas.
46. When water is used for dust control, water shall occur three times per day and shall be increased to four times per day when there is evidence of visible wind driven fugitive dust.
47. Signage shall be displayed on the project site in accordance with AVAQMD Rule 403 (Appendix A).
48. All disturbed surfaces shall meet the definition of a stabilized surface upon completion of project construction.
49. The applicant shall submit an Active Operation Dust Control Plan for Renewable Energy Projects to the AVAQMD upon project completion. This plan shall be updated and renewed annually and must be in place for the life of the project.
50. Prior to any demolition activities associated with the existing residential structures, an asbestos survey shall be conducted to determine the presence or absence of asbestos and the results shall be submitted to the City. If asbestos containing materials are located, abatement of the asbestos shall be completed prior to demolition activities. Asbestos removal shall be performed by a State certified asbestos containment contractor in accordance with AVAQMD Rule 1403.
51. Prior to any demolition activities associated with the existing residential structures, a lead-based paint survey shall be conducted to determine the presence or absence of lead-based paint, and the results shall be submitted to the City. If lead-based paint is located, abatement of the paint shall be completed prior to any demolition activities in accordance with California Code of Regulations Title 8, Section 1532.1.
52. Prior to any construction-related permits being issued, the stained soil and waste oil drums shall be removed and disposed of in accordance with all existing rules and regulations. In the event that these areas and drums are part of the 10 acres that is not being developed, a letter

- shall be submitted by the property owner indicating as such, and that all use and storage of hazardous materials will be conducted in accordance with existing rules and regulations.
53. Construction operations shall not occur between 8:00 p.m. and 7:00 a.m. on weekdays or Saturday, or at any time on Sunday. The hours of any construction-related activities shall be restricted to periods and days permitted by local ordinance.
 54. The on-site construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be established prior to construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor.
 55. Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible.
 56. Material stockpiles and mobile equipment staging, parking and maintenance areas shall be located as far away as practicable from noise-sensitive receptors.
 57. The use of noise producing signals, including horns, whistles, alarms, and bells shall be for safety warning purposes only.
 58. No project-related public address or music system shall be audible at any adjacent receptor.
 59. All noise producing construction equipment and vehicles using internal combustion engines shall be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory specifications. Mobile or fixed "package" equipment (e.g., arc-welders, air compressors, etc.) shall be equipped with shrouds and noise control features that are readily available for the type of equipment.

**MITIGATION MONITORING PLAN (Attachment C)
GPA 18-02/ZC 18-02/CUP 18-04**

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE	
					Initials	Date
AIR QUALITY						
1.	<p>Prior to ground disturbance activities, the project operator shall provide evidence to the Development Services Director that the project operator and/or construction manager has developed a "Valley Fever Training Handout", training, and schedule of sessions for education to be provided to all construction personnel. All evidence of the training session materials, handout(s) and schedule shall be submitted to the Development Services Director within 24 hours of the first training session. Multiple training sessions may be conducted if different work crews will come to the site for different stages of construction; however, all construction personnel shall be provided training prior to beginning work. The evidence submitted to the Development Services Director regarding the "Valley Fever Training Handout" and Session(s) shall include the following:</p> <ul style="list-style-type: none"> • A sign-in sheet (to include the printed employee names, signature, and date) for all employees who attended the training session. • Distribution of a written flier or brochure that includes educational information regarding the health effects of exposure to criteria pollutant emissions and Valley Fever. • Training on methods that may help prevent Valley Fever infection. • A demonstration to employees on how to use personal protective equipment, such as respiratory equipment (masks), to 	<p>Prior to the final approval of grading plan, issuance of stockpile or construction permit, or any ground disturbing activities.</p>	<p>Submittal of training materials, sign-in sheets, and LA County Public Health approved plan.</p>	<p>Development Services Department, Community Development Division, and LA County Public Health</p>		

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
					Initials	Date	Remarks
	<p>reduce exposure to pollutants and facilitate recognition of symptoms and earlier treatment of Valley Fever. Where respirators are required, the equipment shall be readily available and shall be provided to employees for use during work. Proof that the demonstration is included in the training shall be submitted to the county. This proof can be via printed training materials/agenda, DVD, digital media files, or photographs.</p> <p>The project operator also shall consult with the Los Angeles County Public Health to develop a Valley Fever Dust Management Plan that addresses the potential presence of the Coccidioides spore and mitigates for the potential for Coccidioidomycosis (Valley Fever). Prior to issuance of permits, the project operator shall submit the Plan to the Los Angeles County Public Health for review and approval. The Plan shall include a program to evaluate the potential for exposure to Valley Fever from construction activities and to identify appropriate safety procedures that shall be implemented, as needed, to minimize personnel and public exposure to potential Coccidioides spores. Measures in the Plan shall include the following:</p> <ul style="list-style-type: none"> • Provide HEP-filters for heavy equipment equipped with factory enclosed cabs capable of accepting the filters. Cause contractors utilizing applicable heavy equipment to furnish proof of worker training on proper use of applicable heavy equipment cabs, such as turning the on air conditioning prior to using the 						

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE	
					Initials	Date Remarks
	<p>equipment.</p> <ul style="list-style-type: none"> • Provide communication methods, such as two-way radios, for use in enclosed cabs. • Require National Institute for Occupational Safety and Health (NIOSH)-approved half-face respirators equipped with minimum N-95 protection factor for use during worker collocation with surface disturbance activities, as required per the hazard assessment process. • Cause employees to be medically evaluated, fit-tested, and properly trained on the use of the respirators, and implement a full respiratory protection program in accordance with the applicable Call/OSHA Respiratory Protection Standard (8 CFR 5144). • Provide separate, clean eating areas with hand-washing facilities. • Install equipment inspection stations at each construction equipment access/egress point. Examine construction vehicles and equipment for excess soil material and clean, as necessary, before equipment is moved off-site. • Train workers to recognize the symptoms of Valley Fever, and to promptly report suspected symptoms of work-related Valley Fever to a supervisor. • Work with a medical professional to develop a protocol to medically evaluate 					

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE	
					Initials	Date
	<p>employees who develop symptoms of Valley Fever.</p> <ul style="list-style-type: none"> Work with a medical professional, in consultation with the Los Angeles County Public Health, to develop an educational handout for on-site workers and surrounding residents within three miles of the project site, and include the following information on Valley Fever: what are the potential sources/ causes, what are the common symptoms, what are the options or remedies available should someone be experiencing these symptoms, and where testing for exposure is available. Prior to construction permit issuance, this handout shall have been created and reviewed by the project operator, and reviewed by the Development Services Director. No less than 30 days prior to any work commencing, this handout shall be mailed to all existing residences within three miles of the project boundaries. When possible, position workers upwind or crosswind when digging a trench or performing other soil-disturbing tasks. Prohibit smoking at the worksite outside of designated smoking areas; designated smoking areas will be equipped with handwashing facilities. Post warnings on-site and consider limiting access to visitors, especially those without adequate training and respiratory 					

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
					Initials	Date	Remarks
	<p>protection.</p> <ul style="list-style-type: none"> Audit and enforce compliance with relevant Cal OSHA health and safety standards on the job site. 						
BIOLOGICAL RESOURCES							
2.	<p>Burrowing owl protocol surveys shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established burrowing owl protocols. If burrowing owls are identified using the project site, buffer areas where no activity occurs shall be established around the occupied burrows. A buffer of 50-meters shall be established during the non-breeding season and the buffer zone increased to 75-meters during the breeding season.</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>Submittal of the report from a biologist with the results of the burrowing owl survey and a map showing buffer areas, if necessary.</p>	<p>Development Services Department, Community Development Division</p>			
3.	<p>A Swainson's hawk survey shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established Swainson's hawk protocols. No construction shall occur within 0.5 miles of an active Swainson's hawk nest or within 500 feet of active nests for other raptors.</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>Submittal of the report from a biologist with the results of the Swainson's hawk and raptor survey and a map showing buffer areas, if necessary.</p>	<p>Development Services Department, Community Development Division</p>			
4.	<p>A nesting bird survey shall be conducted within 30 days prior to the start of construction/ground disturbing activities. If nesting birds are encountered, all work in the area shall cease until either the young birds have fledged or the appropriate permits are obtained from the California Department of Fish and Wildlife.</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>Submittal of the report from a biologist with the results of the nesting bird survey</p>	<p>Development Services Department, Community Development Division</p>			
5.	<p>A pre-construction coast horned lizard and silvery legless lizard survey shall be conducted within 30 days prior to the start of construction/ground disturbing activities. If coast horned lizards or silvery legless lizards are discovered during the survey, the</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground</p>	<p>Submittal of the report from a biologist with the results of the coast horned lizard and silvery legless</p>	<p>Development Services Department, Community Development Division</p>			

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
					Initials	Date	Remarks
6.	<p>applicant shall contact the California Department of Fish and Wildlife to determine the appropriate mitigation/management requirements for the species.</p> <p>A preconstruction survey for American badger and desert kit fox shall be conducted no more than 30 days prior to the start of construction. In the event that potential dens are observed, the following buffer distances shall be established prior to construction activities:</p> <ul style="list-style-type: none"> • Desert kit fox or American badger potential den: 30 feet • Desert kit fox active den: 100 feet • Desert kit fox natal den: 500 feet <p>If avoidance of potential dens is not possible, the following measures shall be enacted:</p> <ul style="list-style-type: none"> • If the qualified biologist determines that potential dens are inactive, the biologist shall excavate these dens by hand with a shovel to prevent foxes from re-using them during construction. • If the qualified biologist determines that potential dens may be active, an on-site passive relocation program shall be implemented. This program shall consist of excluding foxes from occupied burrows by installation of one-way doors at burrow entrances, monitoring of the burrow for one week to confirm usage has been discontinued, and excavation 	<p>disturbing activities</p> <p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>lizard survey</p> <p>Submittal of the report from a biologist with the results of the kit fox and American Badger surveys and any necessary management measures.</p>	<p>Development Services Department, Community Development Division</p>			

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE	
					Initials	Date Remarks
7.	and collapse of the burrow to prevent reoccupation. After the qualified biologist determines that badgers and foxes have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction. The applicant shall consult with the California Department of Fish and Wildlife to determine whether or not a Section 1602 Streambed Alteration Agreement is required prior to any work occurring within the delineated features along the potential gen-tie routes. If a Streambed Alteration Agreement is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).	Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities	A copy of the approved Streambed Alteration Agreement from the California Department of Fish and Wildlife (CDFW) or a letter from CDFW stating that one is not needed.	Development Services Department, Community Development Division		
8.	The applicant shall coordinate with the Lahontan Regional Water Quality Control Board to determine whether the applicant is required to obtain a Report of Waste Discharge prior to any work occurring within the delineated features along the potential gen-tie routes. If this permit is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).	Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities	A copy of the approved WDR or a letter from Lahontan stating that a WDR is not necessary.	Development Services Department, Community Development Division		
CULTURAL RESOURCES						
9.	In the event that previously unknown cultural resources are identified during construction, the following requirements shall apply: i. If human remains or funerary objects are encountered during any construction activities associated with the proposed project, work within a 100-foot buffer shall cease and the County Coroner shall	During construction.	Notification to the City of Lancaster, County Coroner, and/or any affected tribe.	Development Services Department, Community Development Division, County Coroner, and appropriate tribal parties		

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
					Initials	Date	Remarks
	<p>be contacted pursuant to State Health and Safety Code Section 7050.5.</p> <p>ii. In the event that Native American cultural resources are discovered during any construction activities all work within a 60-foot buffer shall cease and a qualified archaeologist meeting the Secretary of the Interior standards shall be hired to assess the find. The San Manuel Band of Mission Indians shall be contacted and provided information and invited to perform a site visit in conjunction with the archaeologist to provide Tribal input.</p> <p>iii. If significant Native American resources are discovered and avoidance cannot be ensured a Secretary of the Interior qualified archaeologist shall be retained to develop a cultural resource Treatment Plan, as well as a Discovery and Monitoring Plan. A copy of the draft document shall be provided to the San Manuel Band of Mission Indians for review and comment. All in field investigation, assessment and/or data recovery pursuant to the Treatment Plan shall be monitored by a Tribal Monitor. Additionally, the applicant and City of Lancaster shall consult with the San Manuel Band of Mission Indians on the disposition and treatment of any artifacts or other cultural materials encountered during the project.</p>						

**MITIGATION MONITORING PLAN (Attachment C)
GPA 18-02/ZC 18-02/CUP 18-04**

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
					Initials	Date	Remarks
10.	The applicant shall in good faith contact the Fernandeno Tataviam Band of Mission Indians to discuss and address concerns associated with the development of the site. A copy of any concerns and the proposed resolution/agreement shall be submitted to the City prior to the issuance of permits.	Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities	Submittal of agreement/resolution between developer and any affected tribe	Development Services Department, Community Development Division and appropriate tribal parties			
GEOLOGY AND SOILS							
11.	The applicant shall submit a Dust Control Plan to the Antelope Valley Air Quality Management District (AVAQMD) for review and approval in accordance with Rule 403, Fugitive Dust, prior to the issuance of any grading and/or construction permits. This plan shall demonstrate adequate water or dust suppressant application equipment to mitigate all disturbed areas.	Prior to vegetation removal, grading, stockpile, or construction, the City shall receive a copy of the Dust Control Plan	A copy of the AVAQMD-approved Dust Control Plan Field Inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.			
12.	When water is used for dust control, water shall occur three times per day and shall be increased to four times per day when there is evidence of visible wind driven fugitive dust.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.			
13.	Signage shall be displayed on the project site in accordance with AVAQMD Rule 403 (Appendix A).	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.			
14.	All disturbed surfaces shall meet the definition of a stabilized surface upon completion of project construction.	Prior to issuance of certificate of completion	Field inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.			

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE	
					Initials	Date Remarks
15.	The applicant shall submit an Active Operation Dust Control Plan for Renewable Energy Projects to the AVAQMD upon project completion. This plan shall be updated and renewed annually and must be in place for the life of the project.	During operation	Submittal of Plan to AVAQMD for approval	AVAQMD		
HAZARDS AND HAZARDOUS MATERIALS						
16.	Prior to any demolition activities associated with the existing residential structures, an asbestos survey shall be conducted to determine the presence or absence of asbestos and the results shall be submitted to the City. If asbestos containing materials are located, abatement of the asbestos shall be completed prior to demolition activities. Asbestos removal shall be performed by a State certified asbestos containment contractor in accordance with AVAQMD Rule 1403.	Prior to the issuance of permits	Submittal of asbestos survey and abatement report	Development Services Department, Community Development Division and Building and Safety; AVAQMD		
17.	Prior to any demolition activities associated with the existing residential structures, a lead-based paint survey shall be conducted to determine the presence or absence of lead-based paint and the results shall be submitted to the City. If lead-based paint is located, abatement of the paint shall be completed prior to any demolition activities in accordance with California Code of Regulations Title 8, Section 1532.1.	Prior to the issuance of permits.	Submittal of lead-based paint survey and abatement report	Development Services Department, Community Development Division and Building and Safety		
18.	Prior to any construction-related permits being issued, the stained soil and waste oil drums shall be removed and disposed of in accordance with all existing rules and regulations. In the event that these areas and drums are part of the 10-acres that is not being developed, a letter shall be submitted by the property owner indicating such and that all use and storage of hazardous materials will be	Prior to the issuance of permits.	Submittal of proof of proper cleanup and disposal.	Development Services Department, Community Development Division and Building and Safety		

**MITIGATION MONITORING PLAN (Attachment C)
GPA 18-02/ZC 18-02/CUP 18-04**

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
					Initials	Date	Remarks
NOISE							
19.	Construction operations shall not occur between 8 p.m. and 7 a.m. on weekdays or Saturday or at any time on Sunday. The hours of any construction-related activities shall be restricted to periods and days permitted by local ordinance.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
20.	The on-site construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be established prior to construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
21.	Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
22.	Material stockpiles and mobile equipment staging, parking and maintenance areas shall be located as far away as practicable from noise-sensitive receptors.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
23.	The use of noise producing signals, including horns, whistles, alarms, and bells shall be for safety warning purposes only.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
24.	No project-related public address of music system shall be audible at any adjacent receptor.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			

**MITIGATION MONITORING PLAN (Attachment C)
GPA 18-02/ZC 18-02/CUP 18-04**

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE	
					Initials	Date Remarks
25.	All noise producing construction equipment and vehicles using internal combustion engines shall be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory specifications. Mobile or fixed "package" equipment (e.g., arc-welders, air compressors, etc.) shall be equipped with shrouds and noise control features that are readily available for the type of equipment.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety		

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, CALIFORNIA, AMENDING THE CITY ZONING PLAN FOR APPROXIMATELY 80 ACRES OF A 424-ACRE SITE GENERALLY BOUNDED BY AVENUE H, AVENUE G, 75TH STREET WEST AND 90TH STREET WEST (ASSESSOR PARCEL NUMBERS 3219-013-001, 3268-018-039, 3268-018-900), KNOWN AS ZONE CHANGE NO. 18-02

WHEREAS, pursuant to Section 17.24.060 of the Lancaster Municipal Code, an application has been filed by San Pablo A, LLC (dba sPower) ("Applicant"), to change the zoning designation on approximately 80 acres of a 424-acre site generally bounded by Avenue H, Avenue G, 75th Street West, and 90th Street West (Assessor Parcel Numbers 3219-013-001, 3268-018-039, 3268-018-900) from R-7,000 (single family residential, minimum lot size 7,000 square feet) and PK (Park) to RR-2.5 (Rural Residential, minimum lot size of 2.5 acres); and

WHEREAS, a notice of intention to consider a zone change of the subject property was given, as required by Section 17.24.110 of the Lancaster Municipal Code, and Sections 65854 and 65905 of the Government Code; and

WHEREAS, staff has performed the necessary investigations, prepared a written report, and recommended that the zone change request be approved; and

WHEREAS, public notice was provided as required by law, and a public hearing was held on August 27, 2018, at which the Planning Commission (a) certified that it had reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act (including its implementing regulations) prior to taking action, and (b) found the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures as detailed therein; and

WHEREAS, the City Council desires to approve the Applicant's request as set forth herein.

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

Section 1. The foregoing Recitals are true, correct and a substantive part of this Ordinance.

Section 2. The City Council hereby makes the following findings:

1. The proposed zone change from R-7,000 and PK to RR-2.5 is consistent with the General Plan land use designation of NU (Non-Urban Residential) proposed for the subject property.

2. Modified conditions warrant a revision in the zoning plan, as the proposed project site is compatible with the existing land uses within the surrounding properties. The property surrounding the three parcels is either zoned RR-2.5 or is located in the County and zoned A-2-2 (Heavy Agriculture, minimum lot size 2 acres) or A-2-2.5 (Heavy Agriculture, minimum lot size 2.5 acres).
3. A need for the proposed zoning classification of RR-2.5 exists in order to provide for a suitable site for development as a utility scale solar facility.
4. The particular property under consideration is a proper location for the RR-2.5 zoning classification, because it is compatible with the surrounding property, which is zoned RR-2.5, A-2-2, A-2-2.5. Single-family homes, a school, solar facilities and vacant land surround the proposed subject site.

Section 3. The subject property is reclassified from R-7,000 and PK to RR-2.5.

Section 4. All environmental findings, and the Mitigated Negative Declaration, as contained in Attachment "C" of the Planning Commission Resolution No. 18-25, are hereby approved, adopted and incorporated in this Ordinance.

Section 5. Any ordinance previously adopted by the City Council shall be and hereby is repealed if and to the extent inconsistent with this Ordinance, provided, however, that each such ordinance shall otherwise remain in full force and effect.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 7. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published and posted pursuant to the provisions of law in that regard, and this Ordinance shall take effect 30 days after adoption.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

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

CERTIFICATION OF ORDINANCE
CITY COUNCIL

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

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

(seal)

STAFF REPORT
City of Lancaster

PH 2
10/23/18
MVB

Date: October 23, 2018

To: Mayor Parris and City Council Members

From: Jeff Hogan, Development Services Director

Subject: General Plan Amendment No. 18-04 and Zone Change No. 18-04 Located at the Southeast corner of Avenue H-8 and 70th Street West (Assessor's Parcel Number 3268-025-900)

Recommendations:

- a. Adopt **Resolution No. 18-55**, approving General Plan Amendment No. 18-04, amending the General Plan land use designation from Park (PK) to Non-Urban Residential (NU).
- b. Introduce **Ordinance No. 1052**, amending the city zoning plan for approximately 20 acres of land located at the southeast corner of Avenue H-8 and 70th Street West, known as Zone Change No. 18-04, from PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres).

Fiscal Impact:

None.

Background:

The applicant, Antelope Expansion 1B, LLC (dba sPower), submitted applications for a General Plan Amendment (GPA), Zone Change (ZC), and Conditional Use Permit (CUP) for the development of a 25-megawatt photovoltaic solar facility on approximately 135 acres. In order to facilitate the development of the proposed solar facility, the applicant requested to amend the General Plan land use designation from PK to NU, and zoning from PK to RR-2.5 on 20 acres of the 135-acre site. The proposed change in the land use designation and zoning for the subject site would be consistent with the designation and zoning of the surrounding properties.

The Planning Commission held a public hearing on the proposed project on September 17, 2018, and voted (by a 3-1-0-1-1 vote) to approve the CUP and recommend approval of the GPA and ZC to the City Council.

JS/jr

Attachments:

- Resolution No. 18-55
- Ordinance No. 1052
- Attachment A – PC Staff Report dated September 17, 2018

RESOLUTION NO. 18-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA APPROVING GENERAL PLAN AMENDMENT NO. 18-04, AMENDING THE GENERAL PLAN LAND USE DESIGNATION FROM PARK (PK) TO NON-URBAN RESIDENTIAL (NU)

WHEREAS, the subject property is approximately 20 acres (of a 135-acre site) located at the southeast corner of Avenue H-8 and 70th Street West (APN: 3268-025-900); and

WHEREAS, pursuant to Section 3.c. of City Council Resolution No. 93-07, Antelope Expansion 1B, LLC (dba sPower) (“Applicant”) has initiated an application for a General Plan Amendment (GPA No. 18-04) to redesignate 20 acres (of a 135-acre site) from Park (PK) to Non-Urban Residential (NU); and

WHEREAS, pursuant to Section 17.24.040 of the Lancaster Municipal Code (“LMC”), the Applicant has initiated an application (ZC No. 18-04), and requested a change to the zoning designation on the subject site from PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres); and

WHEREAS, Staff has performed necessary investigations, prepared a written report, and recommended approval of these applications, subject to conditions; and

WHEREAS, on September 17, 2018, the City’s Planning Commission held a public hearing on GPA No. 18-04 and ZC No. 18-04, notice of which was published and provided as required by law, and adopted Resolution No. 18-29 (the “Planning Commission Recommendation”) recommending to the City Council approval of GPA No. 18-04 and ZC No. 18-04; and

WHEREAS, the Planning Commission adopted and certified that it has reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act (“CEQA”) (including its implementing regulations). The Planning Commission found that the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures detailed in the Mitigated Negative Declaration. The Planning Commission found, pursuant to Section 21082.1 of the Public Resources Code, that the Mitigated Negative Declaration prepared for the proposed project reflects the independent judgement of the City of Lancaster.

WHEREAS, public notice was published and given as required by law, and a public hearing was held on October 23, 2018, before the City Council; and

WHEREAS, the City Council desires to approve and adopt GPA No. 18-04;

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

Section 1. That the foregoing Recitals are true, correct and a substantive part of this Resolution.

Section 2. That the City Council hereby adopts the following General Plan Amendment findings, pursuant to Section 17.24.140 of the LMC, in support of approval of this application:

- a. Information presented at public hearing shows that such amendment is necessary to implement the general plan and/or that the public convenience, the general welfare or good zoning practice justifies such action.

Section 3. That City Council staff is hereby authorized and directed to prepare, execute, and file a Notice of Determination pursuant to CEQA (including its implementing guidelines).

Section 4. That the City Council hereby approves GPA No. 18-04 to redesignate the subject property from PK to NU.

PASSED, APPROVED and ADOPTED this 23rd day of October, 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. 18-55, for which the original is on file in my office.

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

(seal)

ORDINANCE NO. 1052

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, AMENDING THE CITY ZONING PLAN FOR APPROXIMATELY 20 ACRES OF LAND LOCATED AT THE SOUTHEAST CORNER OF AVENUE H-8 AND 70TH STREET WEST, KNOWN AS ZONE CHANGE NO. 18-04, FROM PK (PARK) TO RR-2.5 (RURAL RESIDENTIAL, MINIMUM LOT SIZE 2.5 ACRES)

WHEREAS, pursuant to Section 17.24.060 of the Lancaster Municipal Code, an application has been filed by Antelope Expansion 1B, LLC (dba sPower) (“Applicant”), to change the zoning designation on approximately 20 acres (of a 135-acre project site) located at the southeast corner of Avenue H-8 and 70th Street West (Assessor’s Parcel Number 3268-025-900) from PK (Park) to RR-2.5 (Rural Residential, minimum lot size 2.5 acres); and

WHEREAS, a notice of intention to consider a zone change of the subject property was given, as required by Section 17.24.110 of the Lancaster Municipal Code and Sections 65854 and 65905 of the Government Code; and

WHEREAS, staff has performed the necessary investigations, prepared a written report, and recommended that the zone change request be approved; and

WHEREAS, public notice was provided as required by law, and a public hearing was held on September 17, 2018, at which the Planning Commission: (a) certified that it had reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act (including its implementing regulations) prior to taking action; and (b) found the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures as detailed therein; and

WHEREAS, the City Council desires to approve the Applicant’s request as set forth herein.

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

Section 1. The foregoing Recitals are true, correct and a substantive part of this Ordinance.

Section 2. The City Council hereby makes the following findings:

- (a) The proposed zone change from PK to RR-2.5 is consistent with the General Plan land use designation of NU (Non-Urban Residential) proposed for the subject property.

- (b) Modified conditions warrant a revision in the zoning plan, as the proposed project is compatible with the existing land uses within the surrounding properties. The property surrounding the parcel is either zoned RR-2.5 or is located in the County and zoned A-2-2 (Heavy Agriculture, minimum lot size 2 acres) or A-2-2.5 (Heavy Agriculture, minimum lot size 2.5 acres).
- (c) A need for the proposed zoning classification of RR-2.5 exists in order to provide for a suitable site for development as a utility scale solar facility.
- (d) The particular property under consideration is a proper location for the RR-2.5 zoning classification, because it is compatible with the immediately surrounding property, which is zoned RR-2.5 and A-2-2. Single-family homes and vacant land surround the subject site.

Section 3. The subject property is reclassified from PK to RR-2.5.

Section 4. All environmental findings, and the Mitigated Negative Declaration, as contained in Attachment "B" of the Planning Commission Resolution No. 18-29, as hereby approved, adopted, and incorporated in this Ordinance.

Section 5. Any ordinance previously adopted by the City Council shall be and hereby is repealed if and to the extent inconsistent with this Ordinance; provided, however, that each such ordinance shall otherwise remain in full force and effect.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 7. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published and posted pursuant to the provision of law in that regard; and this Ordinance shall take effect 30 days after adoption.

I, Britt Avrit, MMC, City Clerk of the City of Lancaster, do hereby certify that the foregoing ordinance was regularly introduced and placed upon its first reading on the 23rd day of October, 2018, and placed upon its second reading and adoption at a regular meeting of the City Council on the _____ day of _____, 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 ORDINANCE
CITY COUNCIL

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Ordinance No. 1052, for which the original is on file in my office.

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

(seal)

STAFF REPORT

**GENERAL PLAN AMENDMENT NO. 18-04, ZONE CHANGE NO. 18-04,
AND CONDITIONAL USE PERMIT NO. 18-09**

PC ACTION:

APPROVED (3-1-0-1-1)

NOES: Harvey

RECUSED: Moore

ABSENT: Cook

DATE: September 17, 2018

TO: Lancaster Planning Commission

FROM: Jocelyn Swain, Principal Planner
Community Development Division, Development Services Department

APPLICANT: Antelope Expansion 1B, LLC (dba sPower)

LOCATION: ±135 gross acres generally bounded by Avenue H, Avenue H-12, 75th Street West, and 67th Street West (Assessor's Parcel Numbers (APNs) 3268-021-015, 3268-021-016, 3268-021-901, 3268-025-900)

REQUEST: Amend the General Plan land use designation from Park (PK) to Non-Urban Residential (NU); rezone the subject site from PK (Park) to RR-2.5 (Rural Residential, minimum lot size of 2.5 acres); and construction and operation of a 25-megawatt photovoltaic solar electric generating facility in the RR-2.5 zone

RECOMMENDATION: Adopt Resolution No. 18-29 approving Conditional Use Permit No. 18-09 to allow for the construction and operation of a 25-megawatt photovoltaic solar electric generating facility, adopting a mitigated negative declaration, and recommending approval of General Plan Amendment No. 18-04 and Zone Change No. 18-04 to the City Council

BACKGROUND

There have been no previous hearings before the Planning Commission or the City Council on the subject property.

GENERAL INFORMATION

Table 1 summarizes the general information concerning this project.

TABLE 1

ITEM	DESCRIPTION
APNS	3268-021-015, 3268-021-016, 3268-021-901, 3268-025-900
LOCATION	±135 gross acres generally bounded by Avenue H, Avenue H-12, 75 th Street West, and 67 th Street West
ZONING AND LAND USE	<p>The project site has the following zoning and land use designations.</p> <ul style="list-style-type: none"> • APNs 3268-021-015, 3268-021-016, 3268-021-901: Designated as Non-Urban Residential (NU) and zoned RR-2.5 • APN 3268-025-900: Designated PK and zoned PK
SURROUNDING LAND USES AND ZONING	<p>North: Vacant, four single family residences; A-2-2.5 (Heavy Agriculture, minimum, lot size 2.5 acres)</p> <p>South: Vacant, six single family residences located south of the parcel on the east side of 70th Street West; RR-2.5 and A-2-2 (Heavy Agriculture, minimum lot size 2 acres)</p> <p>East: Vacant; two single family residences immediately adjacent to the project site at the southeast corner of 70th Street West and Avenue H and on the east side of 67th Street West. Another single family residence is located south of Avenue H along 67th Street West but not adjacent to the project site</p> <p>West: Vacant, former agricultural holding ponds; A-2-2</p>
CURRENT DEVELOPMENT	A portion of the project site is currently developed with the former Bench Ranch. Several structures are located on the property including a large barn and associated out buildings (water tanks, sheds, animal shelters, corrals, etc.), and two former residences. One of the parcels contains two water wells/pumps, and this area has been fenced. The remainder of the project site is vacant.
ENVIRONMENTAL REVIEW	<p>An initial study (SCH # 2018081043) was prepared for the proposed project and circulated for a 30-day public review period in accordance with the California Environmental Quality Act (CEQA). The public review period started on August 15, 2018, and ended on September 14, 2018. Based on this information, staff has determined that a Mitigated Negative Declaration is warranted. Notice of intent to prepare a Mitigated Negative Declaration has been legally advertised.</p> <p>Effective January 1, 1991, applicants whose projects have the potential to result in the loss of fish, wildlife, or habitat through urbanization and/or land use conversion are required to pay filing</p>

	fees as set forth under Section 711.4 of the Fish and Game Code. Pursuant to Section 21089(b) of the Public Resources Code, the approval of a project is not valid, and no development right is vested, until such fees are paid.
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PROJECT DESCRIPTION

The proposed project consists of a utility scale, 25-megawatt (MW) photovoltaic solar electric generating facility and multiple 34-kilovolt (kV) and 66-kV gen-tie lines (underground). The facility will be located on approximately 135 gross acres of previously disturbed, fallow, agricultural land and the former Bench Ranch facility, and will operate year-round, producing electric power during daytime hours. Site preparation and construction of the facility is scheduled to start in late 2018 with construction completed and the facility commercially operational by the first half of 2019. Construction of the facility is anticipated to take between 6 and 8 months, and upon completion would operate for a minimum of 35 years. It is expected that construction of the facility will employ approximately 105 individuals with long-term maintenance providing two full-time positions.

Project Details

The project will employ photovoltaic modules that convert sunlight directly into electrical energy without the use of heat transfer fluid or cooling water. The facility will include communication lines and underground 34-kV/66-kV gen-tie line(s) connecting the project to a previously approved and constructed substation located at Avenue G-8 and 100th Street West, and ultimately SCE's Antelope Substation. The proposed project would connect to the substation through any combination of the following gen-tie routes:

- Avenue H between 100th Street West and 70th Street West;
- Avenue H-8 between 80th Street West and 70th Street West;
- Avenue G-12 between 80th Street West (through APN 3268-021-901) and 100th Street West;
- 100th Street West between Avenue G-12 and Avenue H;
- 93rd Street West between Avenue G-12 and Avenue H;
- Approximately 90th Street West between Avenue G-8 and Avenue H;
- Avenue G-8 between 90th Street West and approximately 80th Street West;
- 80th Street West between Avenue H and Avenue G-8;
- 75th Street West between Avenue H-8 and Avenue H; and/or
- 70th Street West between Avenue H-8 and Avenue H

A series of photovoltaic module arrays will be mounted on racking systems, typically supported by a pile-driven foundation design. The module mounting system or racking system will be fixed tilt or tracker photovoltaic array configuration oriented to maximize the amount of incident solar radiation

absorbed over the course of the year. For the tracking configuration, the modules will rotate from east to west over the course of the day. Energy storage will be provided on-site, and is a fully enclosed modular power storage system that uses telecommunication systems and real-time control software to charge and discharge the battery according to power delivery needs. Typical modular energy storage solutions are approximately 102 inches (8.5 feet) in height, and 20 to 40 feet in length. The energy storage solution would be located near inverters or switchgear.

Grading/Access

Grading activity will be limited to access roads as required by the Fire Department, and the pads for inverters, transformers, and battery storage facilities, which will be paved in order to minimize dust generation throughout the construction and operation of the facility. Access to the project site will be provided on Avenue H, Avenue H-8, and 70th Street West with the access gates set back at least 50 feet in order to allow vehicles to completely pull off of the roadways. Both Avenue H and 70th Street West are paved, while Avenue H-8 is an unpaved roadway. Driveways from the paved roadways will be paved.

Landscaping

A 10-foot landscaped buffer will be provided along the perimeter of the project site to screen the project site from public roadways, and in those areas immediately adjacent to single family residences. Specifically, landscaping will be provided along Avenue H and 70th Street West and around the entire perimeter of the parcel located on the east side of 70th Street West.

Operation/Decommissioning

During operation, the proposed project will be operated remotely, with regular on-site personnel visitations for security, maintenance, and system monitoring. There will be no full-time site personnel onsite during operation. The developer will decommission and remove the system and its components at the end of the life of the facility. The project site could then be converted to other uses in accordance with applicable land use regulations in effect at that time. All decommissioning and restoration activities will adhere to the requirements of the appropriate governing authorities, and will be in accordance with all applicable federal, state, and City of Lancaster regulations. A collection and recycling program will be executed to dispose of the site materials.

General Plan Amendment/Zone Change

In order to accommodate the development of the proposed project, the applicant is requesting to change the general plan designation and zoning on one of the four parcels (3267-025-900). Specifically, the applicant is requesting to amend the general plan designation for this parcel from PK to NU, and the zoning from PK to RR-2.5, which would allow the Conditional Use Permit (CUP) for the construction and operation of the photovoltaic solar electric generating facility.

Public Outreach

In addition to the Notice of Availability/Notice of Intent to Adopt a Mitigated Negative Declaration and the Public Hearing Notice that the City of Lancaster sent to all property owners within 1,500 feet of the project site; sPower has reached out to the residents in close proximity to the project site. On August 29, 2018 a letter was sent to the twelve residences near the project site inviting the residents to an informal gathering and lunch on September 4th at 11 a.m. at Café Azteca (8845 West Avenue E-8) to find out more about the project and to have questions answered. A total of six members of the community attended the meeting. Additionally, sPower is giving a presentation to the Antelope Acres Town Council on September 19, 2018 regarding this project and other sPower projects in the area.

GENERAL PLAN AMENDMENT FINDINGS

In order to grant a General Plan Amendment (GPA), Section 17.24.140 of the Lancaster Municipal Code states that the Planning Commission must find that such amendment is necessary to implement the General Plan and/or that the public convenience, the general welfare, or good zoning practice justifies such amendment.

The proposed amendment is necessary to implement the General Plan, because the proposed project helps achieve multiple goals, objectives and policies. The proposed project is consistent with the following Goals and Actions of the General Plan:

- Policy 3.1.1:** Ensure that development does not adversely affect the groundwater basin.
- Policy 3.1.3:** Encourage the use of recycled, tertiary treated wastewater when possible.
- Policy 3.2.1:** Promote the use of water conservation measures in the landscape plans of new developments.
- Specific Action 3.2.1(a)** Through the landscape plan check process, require the provision of drought-tolerant landscaping and water-saving irrigation systems for new residential, commercial, and industrial developments in accordance with City landscape ordinances.
- Policy 3.3.3:** Minimize air pollutant emissions generated by new and existing development.
- Policy 3.4.4:** Ensure that development proposals, including City sponsored projects, are analyzed for short and long-term impacts to biological resources, and that appropriate mitigation measures are implemented.

- Objective 3.5:** Preserve land resources through the application of appropriate soils management techniques, and the protection and enhancement of surrounding landforms and open space.
- Policy 3.5.1:** Minimize erosion problems resulting from development activities.
- Objective 3.6:** Encourage efficient use of energy resources through the promotion of efficient land use patterns, the incorporation of energy conservation practices into new and existing development, and appropriate use of alternative energy.
- Policy 3.6.6:** Consider and promote the use of alternative energy, such as wind energy and solar energy.
- Specific Action 3.6.6(a):** Work with utility companies and private enterprises in their efforts to incorporate alternative energy resources, including, but not limited to, wind and solar energy.
- Specific Action 4.3.2(d):** As a condition of approval, limit non-emergency construction activities to daylight hours between sunrise and 8:00 p.m.

The project site is surrounded by a mix of residential, utility scale solar, and vacant land. The change in the general plan designation for a portion of the project site would provide for a cohesive designation across the entire area as the existing PK designation is not compatible with the surrounding area. The addition of the proposed project would not be out of character with the other uses in the area, as utility scale solar facilities are located in the general vicinity specifically to the west, northwest, and southwest of the project site. A 10-foot landscaped buffer would be provided along Avenue H and 70th Street West, and around the entirety of the parcel east of 70th Street West.

ZONE CHANGE FINDINGS

In order to grant a Zone Change (ZC), Section 17.24.120 of the Lancaster Municipal Code states that the Planning Commission must make all of the following findings:

1. *That modified conditions warrant a revision in the zoning plan as it pertains to the area or district under consideration.*

Modified conditions warrant a revision in the zoning plan, as the proposed project site is compatible with the existing land uses within the surrounding properties. The proposed RR-2.5 zone will be compatible with the existing zones for the properties surrounding the project site, which include RR-2.5 and A-2-2. These zones allow for the same types of uses as are being proposed on the project site.

2. *That a need for the proposed zone classification exists within such area or district.*

A need for the proposed zoning classification of RR-2.5 exists to ensure that the project site is compatible with the surrounding land uses, and to facilitate the development of the project site with utility-scale solar. The classification for the subject property permits PK facilities, which are not in character with the surrounding Rural Residential and agricultural zones.

3. *That the particular property under consideration is a proper location for said zone classification within such area or district.*

The subject property under consideration for the zone change is a proper location for the RR-2.5 zoning classification, as the area surrounding this parcel and in the general vicinity is similarly zoned with the RR-2.5 classification, or are located in the unincorporated county area and are zoned A-2-2 or A-2-2.5. These designations allow for similar type uses as the proposed project.

4. *That placement of the proposed zone at such location will be in the interest of public health, safety and general welfare, and in conformity with good zoning practice.*

Placement of the proposed zone at the location will be in the interest of public health, safety and general welfare, and in conformity with good zoning practice, because it will make the zoning of the subject parcels consistent with the surrounding properties and remove urban zoning designations that currently exist. Additionally, implementation of the proposed project would be required to implement mitigation measure to reduce the potential exposure of workers and nearby residents to Valley Fever, and would require the cleanup of existing hazards (potential asbestos and lead based paint) from the residential structures associated with the former Bench Ranch and the removal of existing debris from the project site.

CONDITIONAL USE PERMIT FINDINGS

The City of Lancaster has determined that the development and use of alternative energy is beneficial to the community, and this determination is evident in the decisions made by the City Council. The City Council has implemented several solar and wind energy programs/ordinances, installed solar panels on City facilities, become a provider of solar generated electricity to local school districts and other entities, and created Lancaster Choice Energy, a community choice aggregator. The City's General Plan has several objectives/policies pertaining to alternative energy, which address the need to develop new sources of energy, as well as reduce energy consumption as addressed above. The State of California has a mandate that requires all electricity providers to obtain 33 percent of their electricity from renewable sources by 2020, and 50 percent by 2030. While the City encourages businesses and residences to install solar on their rooftops, carports, shade

structures, etc., this type of behind-the-meter solar is limited to a portion of peak demand due to utility tariffs. The placement of solar facilities on the west side of Lancaster is attractive to solar developers for a number of reasons, including the availability of previously disturbed land, the proximity of existing transmission lines, and capacity at existing substations.

The project site would be developed with rows of photovoltaic panels on single axis trackers. These panels are anticipated to be between 8 and 10 feet in height, and would not exceed 14 feet. This is substantially below the maximum allowable height of 35 feet for single family residences in this zone. Battery storage would be placed next to the inverters pads located throughout the project site. An 8-foot chain-link fence would surround the project site, and a 10-foot landscaped area would be provided between the fence and property line, as noted on the site plan, to screen the development from public views along adjacent roadways and portions of the site that are adjacent to existing residential uses. The perimeter of the property that is not easily viewed from public roadways (e.g., next to another solar facility, etc.) would not have landscaping. Access to the various parts of the project site would be provided from a total of three gates. These gates are located on Avenue H and 70th Street West, and would be set back 50 feet from the edge of right-of-way to allow vehicles to fully pull off the roadway when accessing the project site. Water tanks for fire department purposes would be provided at all of the access gates.

Irrevocable offers of dedication would be provided for 67th Street West, Avenue H-10, 70th Street West, Avenue H-8, and 75th Street West. Specifically, irrevocable offers of dedication would be provided for 67th Street West, Avenue H-8, and Avenue H-10 at 30 feet from centerline; 70th Street West at 20 feet from centerline; and 75th Street West at 12 feet from centerline.

The Initial Study/Mitigated Negative Declaration prepared for the proposed project examined the environmental impacts on 18 different resources areas, and mitigation measures were provided for potentially significant impacts. Specifically, mitigation measures were provided related to air quality (Valley Fever), biological resources, cultural resources, geology, hazards/hazardous materials, and noise. These measures are detailed in the Mitigation Monitoring Plan (Exhibit "C" of the Resolution) and in the conditions of approval. With implementation of the identified mitigation measures, all project-specific and cumulative impacts would be reduced to less than significant levels. All environmental impacts associated with operation of the proposed project would be less than significant.

In order to grant a CUP, Section 17.32.090 of the Lancaster Municipal Code states that the Planning Commission must make all of the following findings:

1. *That the proposed use will not be in substantial conflict with the adopted general plan for the area.*

With the approval of the GPA and ZC, the proposed use would not be in substantial conflict with the adopted general plan for the area, because the proposed project would be in conformance. The proposed use would be consistent with goals, objectives, and policies

of the General Plan and would implement those policies and specific actions associated with the encouragement and development of alternative energy uses. Specifically, the proposed project would implement Policy 3.6.6, which states “consider and promote the use of alternative energy such as wind energy and solar energy.”

2. *That the requested use at the location proposed will not:*
 - a. *Adversely affect the health, peace, comfort, or welfare of persons residing or working in the surrounding area, or*
 - b. *Be materially detrimental to the use, enjoyment or valuation of property of other persons located in the vicinity of the site, or*
 - c. *Jeopardize, endanger or otherwise constitute a menace to the public health, safety or general welfare.*

The project site would be fenced and landscaping would be provided along major roadways, and between the project site and adjacent residential uses. All development standards associated with the proposed use and zone would be met, any necessary parking would be provided, and the panels and trackers are silent or produce minimal amounts of noise. The proposed panels are approximately 10 feet in height, and would not exceed a maximum of 14 feet. Other equipment would be approximately the same, or slightly lower. This is below the maximum height of the rural residential zones. Additionally, the panels and associated infrastructure would be set back from the edge of the property line due to the landscaping buffer and the perimeter access roads. All necessary utilities would be provided as part of the proposed project and mitigation measures have been provided to reduce the potential to expose individuals to valley fever from construction and operational activities. Therefore, the project would not adversely affect the health, peace, comfort, or welfare of persons living in the surrounding area; be materially detrimental to the use, enjoyment, or valuation of property of other persons located in the vicinity of the site; or jeopardize, endanger or otherwise constitute a menace to public health, safety, or general welfare.

3. *That the proposed site is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this title, or as is otherwise required in order to integrate said use with the uses in the surrounding area.*

The proposed use will not adversely affect nearby residents, because the proposed use would be screened by landscaping, the maximum height of the panels are 14 feet, the panels and trackers are not noise generators, and there is limited vehicle traffic that would occur once construction has been completed. The project site is approximately 135 gross

acres, is adequate in size for the development of a 25-MW solar facility, and will allow the proposed project to meet the development standards of the zone.

4. *That the proposed site is adequately served:*
 - a. *By highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate, and;*
 - b. *By other public or private service facilities as are required.*

Adequate access to the project site can be provided by Avenue H, Avenue H-8 and 70th Street West. These roadways are of sufficient width and improved as necessary to carry the anticipated daily vehicle trips such use would generate. Additionally, public utilities and services that are necessary for the construction and operation of the proposed project are available or can be provided.

LEGAL NOTICE

Notice of Public Hearing was mailed to all property owners within 1,500-foot radius of the project, posted in three places, posted on the subject property, and noticed in the Antelope Valley (AV) Press on September 7, 2018.

RECOMMENDATION

Adopt Resolution No. 18-29 approving Conditional Use Permit No. 18-09 to allow for the construction and operation of a 25-megawatt photovoltaic solar electric generating facility, adopting a mitigated negative declaration, and recommending approval of General Plan Amendment No. 18-04 and Zone Change No. 18-04 to the City Council.

Attachments:
Resolution No. 18-29
Draft Ordinance

RESOLUTION NO. 18-29

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LANCASTER, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 18-09 TO ALLOW FOR THE CONSTRUCTION AND OPERATION OF A 25-MEGAWATT PHOTOVOLTAIC SOLAR ELECTRIC GENERATING FACILITY ON 135 GROSS ACRES GENERALLY BOUNDED BY AVENUE H, AVENUE H-12, 75TH STREET WEST AND 67TH STREET WEST (APNS 3268-021-015, 3268-021-016, 3268-021-901, 3268-025-900), AND RECOMMENDING APPROVAL OF GENERAL PLAN AMENDMENT NO. 18-04 AND ZONE CHANGE NO. 18-04 TO THE CITY COUNCIL

WHEREAS, a Conditional Use Permit has been requested by Antelope Expansion 1B, LLC (dba sPower) ("Applicant"), to allow for the construction and operation of a 25-megawatt photovoltaic solar electric generating facility on 135 gross acres generally bounded by Avenue H, Avenue H-12, 75th Street West, and 67th Street West (APNs: 3268-021-015, 3268-021-016, 3268-021-901, 3268-025-900); and

WHEREAS, pursuant to Section 3.c. of City Council Resolution No. 93-07, the Applicant has initiated applications for (a) General Plan Amendment ("GPA") No. 18-04, and (b) Zone Change ("ZC") No. 18-04 to redesignate a portion (APN 3268-025-900) of the project site from Park ("PK") to Non-Urban Residential ("NU"); and

WHEREAS, pursuant to Section 17.24.040 of the Lancaster Municipal Code ("LMC"), the Applicant has requested the Planning Commission consider a change to the zoning designation on a portion (APN 3268-025-900) of the subject property from PK to RR-2.5 (Rural Residential, minimum lot size 2.5 acres); and

WHEREAS, an application for the above-described Conditional Use Permit, has been filed pursuant to the regulations contained in Chapters 17.32, of the LMC; and

WHEREAS, a notice of intention to consider the granting of a Conditional Use Permit has been published and provided as required by Chapter 17.32 of the LMC, and Section 65905 of the Government Code; and

WHEREAS, pursuant to Section 17.24.070 of the LMC a notice of intention to consider the GPA No. 18-04 and ZC No. 18-04 was published and provided as required by Chapter 17.36.020.A of the LMC, and Sections 65854 and 65905 of the Government Code; and

WHEREAS, staff has performed the necessary investigations, prepared a written report, and recommended that GPA No. 18-04, ZC No. 18-04, and Conditional Use Permit No. 18-09 be approved, subject to conditions; and

WHEREAS, public notice was published and given as required by law, and a public hearing was held on September 7, 2018; and

WHEREAS, the Planning Commission, desires to recommend that the City Council approve and adopt GPA No. 18-04 and ZC No. 18-04; and

WHEREAS, the Planning Commission after considering all evidence presented, desires to approve Applicant's requested Conditional Use Permit; and

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF LANCASTER, DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. That the foregoing Recitals are true, correct and a substantive part of this Resolution.

Section 2. That the Planning Commission hereby adopts the following General Plan Amendment findings, pursuant to Section 17.24.140 of the LMC, in support of approval of this application:

- a. Information presented at public hearing shows that such amendment is necessary to implement the general plan and/or that the public convenience, the general welfare or good zoning practice justifies such action.

Section 3. That the Planning Commission hereby adopts the following Zone Change findings, pursuant to Section 17.24.120 of the LMC, in support of approval this application:

- a. That modified conditions warrant a revision in the zoning plan as it pertains to the area or district under consideration; and
- b. That a need for the proposed zone classification exists within such area or district; and
- c. That the particular property under consideration is a proper location for said zone classification within such area or district; and
- d. That placement of the proposed zone at such location will be in the interest of public health, safety and general welfare, and in conformity with good zoning practice.

Section 4. That the Planning Commission hereby adopts the following Conditional Use Permit findings, pursuant to Section 17.32.090 of the LMC, in support of approval this application:

- a. That the proposed use will not be in substantial conflict with the adopted general plan for the area.
- b. That the requested use at the location proposed will not:
 1. Adversely affect the health, peace, comfort or welfare of persons residing or working in the surrounding area, or
 2. Be materially detrimental to the use, enjoyment or valuation of property of other persons located in the vicinity of the site, or

3. Jeopardize, endanger or otherwise constitute a menace to the public health, safety or general welfare.
- c. That the proposed site is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this title, or as is otherwise required in order to integrate said use with the uses in the surrounding area.
- d. That the proposed site is adequately served:
 1. By highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate, and;
 2. By other public or private service facilities as are required.

Section 5. That the Planning Commission hereby certifies that it has reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act ("CEQA") (including its implementing regulations) prior to taking action. The Planning Commission hereby finds that the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures as detailed in the Mitigated Negative Declaration. The Planning Commission hereby finds, pursuant to Section 21082.1 of the Public Resources Code, that the Mitigated Negative Declaration prepared for the proposed project reflects the independent judgement of the City of Lancaster.

Section 6. That Planning Commission staff is hereby authorized and directed to prepare, execute, and file a Notice of Determination pursuant to CEQA (including its implementing guidelines).

Section 7. That the Planning Commission hereby adopts the Mitigation Monitoring Program included in the Mitigated Negative Declaration.

Section 8. That the Planning Commission hereby approves Conditional Use Permit No. 18-09, subject to the conditions attached hereto and incorporated herein and subject further to the City Council approving GPA No. 18-04 and ZC No. 18-04.

Section 9. That the Planning Commission hereby recommends that the City Council approve GPA No. 18-04 to redesignate a portion of the subject property from PK to NU.

Section 10. That the Planning Commission hereby recommends that the City Council approve ZC No. 18-04 to rezone a portion of the subject property from PK to RR-2.5.

Section 11. The Planning Commission staff is authorized, and hereby directed to transmit this Resolution to the City Council as required by 65855 of the Government Code.

PASSED, APPROVED and ADOPTED this 17th day of September 2018, by the following vote:

AYES: Vose, Parris and Smith.

NOES: Harvey.

ABSTAIN: None.


RECUSED: Moore.

ABSENT: Cook



JAMES D. VOSE, Chairman
Lancaster Planning Commission

ATTEST:



LARISSA DE LA CRUZ, Community Development Manager
City of Lancaster

Attachments:

- A. Conditions List
- B. Mitigation Monitoring Program
- C. Initial Study/Mitigated Negative Declaration

70th Street West

West Avenue H

CUP 18-09 /
GPA 18-04 /
ZC 18-04



ATTACHMENT TO PC RESOLUTION NO. 18-29
CONDITIONAL USE PERMIT NO. 18-09
(GENERAL PLAN AMENDMENT NO. 18-04/ZONE CHANGE NO. 18-04)
CONDITIONS LIST
September 17, 2018

GENERAL ADVISORY

1. All standard conditions as set forth in Planning Commission Resolution No. 10-23 shall apply, except Condition Nos. 4, 6, 7a, 7b, 7e, 13, 14, 17, 18, 19, 22, 24, 25, 27, 28, 29, 30, 42, 47, 48, and 49.
2. Applicant shall comply with the requirements of California Sales and Use Tax Regulation 1699, subpart (h), Regulation 1699.6 and Regulation 1802, subparts (c) and (d), respectively, and shall cooperate with the City regarding their direct and indirect purchases and leases to ensure compliance with the above sections, including, if necessary, the formation and use of buying companies, and the direct reporting of purchases of over \$500,000.
3. The applicant shall defend, indemnify, and hold harmless the City and its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void, or annul, an approval of the City concerning this conditional use permit, and the use(s) and development permitted by its approval. The City shall promptly notify the applicant of any claim, action, or proceeding and shall cooperate fully in the defense; this condition shall not be imposed if the City fails to promptly notify the applicant or fails to cooperate fully in the defense.
4. Per the direction of the Development Services Director, no unscreened outdoor storage of any kind would be allowed on the site.
5. Per the direction of the Development Services Director, barbed wire is acceptable on the top of the fence to provide site security, but not razor wire.
6. The applicant shall provide restroom facilities for use by maintenance staff.
7. The applicant shall submit a soils report on the properties of soils as detailed in Chapter 18 of the latest edition of the California Building Code and as required by the Development Services Department on all building sites.
8. Prior to issuance of an encroachment permit, the applicant shall obtain encroachment permit agreements for any generation-tie line or any other facilities in existing or future public right-of-ways or easements.

STREETS

9. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from the centerline on the west side of 67th Street West fronting the project site, as directed by the City Engineer.

10. Prior to issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from the centerline on the north side of Avenue H-10 fronting the project site, as directed by the City Engineer.
11. Prior to the issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 20 feet from the centerline on the west side of 70th Street West fronting the project site, as directed by the City Engineer.
12. Prior to the issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 30 feet from the centerline on the north side of Avenue H-8 fronting the project site, as directed by the City Engineer.
13. Prior to the issuance of building permits, the applicant shall record an irrevocable offer of dedication totaling 12 feet from the centerline on the east side of 75th Street West fronting the project site, as directed by the City Engineer.
14. Prior to certificate of completion, the applicant shall pave any driveways that take access from any of the paved streets.
15. Prior to certificate of completion, any public street surfaces damaged by construction traffic shall be restored to its pre-existing condition.
16. The proposed project shall comply with the City of Lancaster Holiday Moratorium Policy. No excavation or work shall occur within the public right-of-way on Primary Arterials, Secondary Arterials, and Collector Streets between November 15th and January 2nd, except work pertaining to public safety or with the written permission of the City Manager. Work commenced prior to the restriction period must be in such a condition that it will be resurfaced prior to November 15th.

GRADING/DRAINAGE

17. Prior to issuance of a grading permit, the applicant shall submit a grading plan consistent with the approved site plan and conditions of approval. The grading plan shall be based on an approved drainage area study and hydrology/hydraulic report, detailed recent topographic survey, and a detailed engineering soils report specifically approved by the geologist and/or soils engineer that addresses all submitted recommendations.
18. Provide for contributory drainage from adjoining properties and return drainage to its natural conditions or secure off-site drainage acceptance letters from affected property owners.
19. The Preliminary Grading Plan shows an import/export of 0 CY of material to/from the project. Prior to commencing hauling operations for this project, the applicant shall obtain a hauling permit for hauling material within the public right-of-way including the export/receiving site and an exhibit of the proposed haul route. The applicant is responsible to obtain approval from all applicable agencies for the material hauling operation. The

designated haul route shall be designed to the requirements of the City of Lancaster Design Guidelines, Standards, and Municipal code and to the satisfaction of the Development Services Director.

- The applicant shall comply with the following requirements for the material hauling operation:
 - i. The hours of operation shall be approved by the Development Services Director.
 - ii. Provide non-stop street sweeping service on all City streets along the haul route during all hours of work to the satisfaction of the Development Services Director.
 - iii. Provide traffic control and flagging personnel along the haul route to the satisfaction of the Development Services Director.
 - iv. When required by the Development Services Director, the applicant shall post a security to serve as surety of repair in the event facilities within the City right-of-way are adversely impacted by the hauling operations.
- Prior to issuance of certificate of completion and release of security, the applicant shall repair any pavement damaged by the material hauling operation to the satisfaction of the Development Services Director. The security will not be reduced or released or certificate of completion given until the completion of the repair work. The limits of the road repairs shall be consistent with the approved haul route and determined by the Development Services Director.

ADDITIONAL CONDITIONS

20. The development shall comply with all requirements of Ordinance No. 907 and the State of California Model Water Efficient Landscape Ordinance. The requirements are subject to revision, upon adoption of the City's updated Water Efficient Landscape Ordinance.
21. Per the direction of the Development Services Director, the applicant shall screen the project site through the installation of a 10-foot wide landscaped planter as shown on the approved site plan.
22. Grading on the project site shall be kept to the minimum required in order to construct the proposed project, as determined by the Development Services Director. Specifically, grading shall be limited to roadways, pads for inverters and transformers, battery storage, and trenching necessary for cables and electrical wires.
23. The property owner shall immediately notify the City in writing upon the cessation of use of the solar power facility, and shall ensure that all equipment and structures used as part of the

solar power facility shall be removed within one hundred eighty days following the termination of its operation.

MITIGATION MEASURES

24. Prior to ground disturbance activities, the project operator shall provide evidence to the Development Services Director that the project operator and/or construction manager has developed a "Valley Fever Training Handout", training, and schedule of sessions for education to be provided to all construction personnel. All evidence of the training session materials, handout(s) and schedule shall be submitted to the Development Services Director within 24 hours of the first training session. Multiple training sessions may be conducted if different work crews will come to the site for different stages of construction; however, all construction personnel shall be provided training prior to beginning work. The evidence submitted to the Development Services Director regarding the "Valley Fever Training Handout" and Session(s) shall include the following:
- a. A sign-in sheet (to include the printed employee names, signature, and date) for all employees who attended the training session.
 - b. Distribution of a written flier or brochure that includes educational information regarding the health effects of exposure to criteria pollutant emissions and Valley Fever.
 - c. Training on methods that may help prevent Valley Fever infection.
 - d. A demonstration to employees on how to use personal protective equipment, such as respiratory equipment (masks), to reduce exposure to pollutants and facilitate recognition of symptoms and earlier treatment of Valley Fever. Where respirators are required, the equipment shall be readily available, and shall be provided to employees for use during work. Proof that the demonstration is included in the training shall be submitted to the County. This proof can be via printed training materials/agenda, DVD, digital media files, or photographs.

The project operator also shall consult with the Los Angeles County Public Health to develop a Valley Fever Dust Management Plan that addresses the potential presence of the *Coccidioides* spore and mitigates for the potential for *Coccidioidomycosis* (Valley Fever). Prior to issuance of permits, the project operator shall submit the Plan to the Los Angeles County Public Health for review and approval. The Plan shall include a program to evaluate the potential for exposure to Valley Fever from construction activities, and to identify appropriate safety procedures that shall be implemented, as needed, to minimize personnel and public exposure to potential *Coccidioides* spores. Measures in the Plan shall include the following:

- a. Provide HEP-filters for heavy equipment equipped with factory enclosed cabs capable of accepting the filters. Cause contractors utilizing applicable heavy

equipment to furnish proof of worker training on proper use of applicable heavy equipment cabs, such as turning on air conditioning prior to using the equipment.

- b. Provide communication methods, such as two-way radios, for use in enclosed cabs.
- c. Require National Institute for Occupational Safety and Health (NIOSH)-approved half- face respirators equipped with minimum N-95 protection factor for use during worker collocation with surface disturbance activities, as required per the hazard assessment process.
- d. Cause employees to be medically evaluated, fit-tested, and properly trained on the use of the respirators, and implement a full respiratory protection program in accordance with the applicable Cal/OSHA Respiratory Protection Standard (8 CCR 5144).
- e. Provide separate, clean eating areas with hand-washing facilities.
- f. Install equipment inspection stations at each construction equipment access/egress point. Examine construction vehicles and equipment for excess soil material and clean, as necessary, before equipment is moved off-site.
- g. Train workers to recognize the symptoms of Valley Fever, and to promptly report suspected symptoms of work-related Valley Fever to a supervisor.
- h. Work with a medical professional to develop a protocol to medically evaluate employees who develop symptoms of Valley Fever.
- i. Work with a medical professional, in consultation with the Los Angeles County Public Health, to develop an educational handout for on-site workers and surrounding residents within three miles of the project site, and include the following information on Valley Fever: what are the potential sources/ causes, what are the common symptoms, what are the options or remedies available should someone be experiencing these symptoms, and where testing for exposure is available. Prior to construction permit issuance, this handout shall have been created and reviewed by the project operator, and reviewed by the Development Services Director. No less than 30 days prior to any work commencing, this handout shall be mailed to all existing residences within three miles of the project boundaries.
- j. When possible, position workers upwind or crosswind when digging a trench or performing other soil-disturbing tasks.
- k. Prohibit smoking at the worksite outside of designated smoking areas; designated smoking areas will be equipped with handwashing facilities.

- l. Post warnings on-site and consider limiting access to visitors, especially those without adequate training and respiratory protection.
 - m. Audit and enforce compliance with relevant Cal OSHA health and safety standards on the job site.
25. Burrowing owl protocol surveys shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established burrowing owl protocols. If burrowing owls are identified using the project site, buffer areas where no activity occurs shall be established around the occupied burrows. A buffer of 50 meters shall be established during the non-breeding season, and the buffer zone increased to 75 meters during the breeding season.
26. A Swainson's hawk survey shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established Swainson's hawk protocols. No construction shall occur within 0.5 miles of an active Swainson's hawk nest or within 500 feet of active nests for other raptors.
27. A nesting bird survey shall be conducted within 30 days prior to the start of construction/ground disturbing activities. If nesting birds are encountered, all work in the area shall cease until either the young birds have fledged, or the appropriate permits are obtained from the California Department of Fish and Wildlife.
28. A preconstruction survey for American badger and desert kit fox shall be conducted no more than 30 days prior to the start of construction. In the event that potential dens are observed, the following buffer distances shall be established prior to construction activities:
 - Desert kit fox or American badger potential den: 30 feet
 - Desert kit fox active den: 100 feet
 - Desert kit fox natal den: 500 feet

If avoidance of potential dens is not possible, the following measures shall be enacted:

- If the qualified biologist determines that potential dens are inactive, the biologist shall excavate these dens by hand with a shovel to prevent foxes from re-using them during construction.
- If the qualified biologist determines that potential dens may be active, an on-site passive relocation program shall be implemented. This program shall consist of excluding foxes from occupied burrows by installation of one-way doors at burrow entrances, monitoring of the burrow for one week to confirm usage has been discontinued, and excavation and collapse of the burrow to prevent reoccupation.

After the qualified biologist determines that badgers and foxes have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction.

29. The applicant shall consult with the California Department of Fish and Wildlife to determine whether or not a Section 1602 Streambed Alteration Agreement is required prior to any work occurring within the delineated features along the potential gen-tie routes. If a Streambed Alteration Agreement is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).
30. The applicant shall coordinate with the Lahontan Regional Water Quality Control Board to determine whether the applicant is required to obtain a Report of Waste Discharge prior to any work occurring within the delineated features along the potential gen-tie routes. If this permit is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).
31. In the event that previously unknown cultural resources are identified during construction, the following requirements shall apply:
 - a. If human remains or funerary objects are encountered during any construction activities associated with the proposed project, work within a 100-foot buffer shall cease, and the County Coroner shall be contacted pursuant to State Health and Safety Code Section 7050.5.
 - b. In the event that Native American cultural resources are discovered during any construction activities, all work within a 60-foot buffer shall cease and a qualified archaeologist meeting the Secretary of the Interior standards shall be hired to assess the find. The appropriate tribes shall be contacted and provided information, and invited to perform a site visit in conjunction with the archaeologist to provide Tribal input.
 - c. If significant Native American resources are discovered, and avoidance cannot be ensured, a Secretary of the Interior qualified archaeologist shall be retained to develop a cultural resource Treatment Plan, as well as a Discovery and Monitoring Plan. A copy of the draft document shall be provided to the appropriate tribes for review and comment. All in-field investigation, assessment, and/or data recovery pursuant to the Treatment Plan shall be monitored by a Tribal Monitor. Additionally, the applicant and City of Lancaster shall consult with the appropriate tribes on the disposition and treatment of any artifacts, or other cultural materials, encountered during the project.
32. The applicant shall, in good faith, contact the Fernandeno Tataviam Band of Mission Indians and the Morongo Band of Mission Indians to discuss and address concerns associated with the development of the site. A copy of any concerns and the proposed resolution/agreement shall be submitted to the City prior to the issuance of permits.

33. The applicant shall submit a Dust Control Plan to the Antelope Valley Air Quality Management District (AVAQMD) for review and approval in accordance with Rule 403, Fugitive Dust, prior to the issuance of any grading and/or construction permits. This plan shall demonstrate adequate water or dust suppressant application equipment to mitigate all disturbed areas.
34. When water is used for dust control, water shall occur three times per day and shall be increased to four times per day when there is evidence of visible wind driven fugitive dust.
35. Signage shall be displayed on the project site in accordance with AVAQMD Rule 403 (Appendix A).
36. All disturbed surfaces shall meet the definition of a stabilized surface upon completion of project construction.
37. The applicant shall submit an Active Operation Dust Control Plan for Renewable Energy Projects to the AVAQMD upon project completion. This plan shall be updated and renewed annually and must be in place for the life of the project.
38. Prior to any demolition activities associated with the existing residential structures, an asbestos survey shall be conducted to determine the presence or absence of asbestos and the results shall be submitted to the City. If asbestos containing materials are located, abatement of the asbestos shall be completed prior to demolition activities. Asbestos removal shall be performed by a State certified asbestos containment contractor in accordance with AVAQMD Rule 1403.
39. Prior to any demolition activities associated with the existing residential structures, a lead-based paint survey shall be conducted to determine the presence or absence of lead-based paint, and the results shall be submitted to the City. If lead-based paint is located, abatement of the paint shall be completed prior to any demolition activities in accordance with California Code of Regulations Title 8, Section 1532.1.
40. In the event that the water wells on the project site will not be utilized with the proposed project, these wells shall be closed in accordance with all existing rules and regulations.
41. All debris on the project site shall be removed and disposed of in accordance with all existing rules and regulations.
42. Construction operations shall not occur between 8:00 p.m. and 7:00 a.m. on weekdays or Saturday, or at any time on Sunday. The hours of any construction-related activities shall be restricted to periods and days permitted by local ordinance.
43. The on-site construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be established prior to

construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor.

44. Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible.
45. Material stockpiles and mobile equipment staging, parking and maintenance areas shall be located as far away as practicable from noise-sensitive receptors.
46. The use of noise producing signals, including horns, whistles, alarms, and bells shall be for safety warning purposes only.
47. No project-related public address or music system shall be audible at any adjacent receptor.
48. All noise producing construction equipment and vehicles using internal combustion engines shall be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory specifications. Mobile or fixed "package" equipment (e.g., arc-welders, air compressors, etc.) shall be equipped with shrouds and noise control features that are readily available for the type of equipment.

RESOLUTION NO. 10-23

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LANCASTER, CALIFORNIA, ADOPTING CERTAIN STANDARDIZED CONDITIONS OF APPROVAL FOR CONDITIONAL USE PERMITS

WHEREAS, the Planning Department staff presented to the Planning Commission a list of forty-nine (49) conditions which are applied to Conditional Use Permits when they are approved by said Commission; and

WHEREAS, the staff explained to the Commission that since these are standard conditions for almost all use permits, it might be more appropriate to adopt them by resolution for reference purposes as it would save staff time in preparing the reports and Commission time in hearing said reports; and

WHEREAS, it was further explained by staff that adoption of these standard conditions and incorporating by reference would be a more efficient and consistent approach to applying said conditions to the use permits approved by the Commission; and

WHEREAS, after discussion, it was the consensus of the Commission that it would be in the best interest of all concerned that the above-mentioned conditions of approval be adopted by resolution and referred to by resolution number for all Conditional Use Permits;

NOW, THEREFORE THE LANCASTER PLANNING COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND FIND AS FOLLOWS:

The Planning Commission hereby establishes the following conditions of approval as standard conditions to be used by reference in conjunction with all Conditional Use Permit approvals.

1. Unless otherwise indicated herein, the development of the site shall be in substantial conformance with approved site plans on file in the Planning Department.
2. This Conditional Use Permit must be used within two (2) years from the date of approval; the Conditional Use Permit will expire. The applicant may, not less than sixty (60) days prior to the expiration date, request a total of three one-(1)-year extensions in writing to the Planning Director. Modifications to the plan, including timing of on and off site improvements that do not raise significant new issues or extend the overall time frame beyond the approval period may be approved by the Planning Director

NOTE: Issuance of building permits, installation of off-site improvements, and grading of the site do not constitute "use" of the conditional use permit. Under the Zoning Ordinance, construction or other development authorized by the conditional use permit must have commenced. Generally, the City requires that the slab of a major building in the project be poured and inspected in order to consider the permit used, although the circumstances of each case may vary depending on the land use involved.

irrigation systems. Such plans are to be incorporated into development of the site and shall show size, type, and location of all plants, trees and irrigation facilities

- e. Trash Enclosure Plan: Such plan shall show location, design, construction materials, and color of materials and shall be in accordance with such plans contained within the Municipal Code and Design Guidelines. All trash enclosures shall be located in a covered area or the covered with a roof or metal lattice treatment to prevent wind-blown trash from leaving the enclosure.
8. The development shall comply with all requirements of Ordinance No. 907 (Water Efficient Landscaping Requirements).
9. All necessary permits shall be obtained from the City Engineering Division of the Public Works Department prior to any construction, remodeling, or replacement of buildings or other structures.
10. The applicant is hereby advised that this project is subject to development fees at the time of building permit issuance, including, but not limited to, the following as applicable: 1) Los Angeles County Sanitation District Sewer Connection Fee; 2) Interim School Facilities Financing Fee; 3) Installation or Upgrade of Traffic Signals Fee; 4) Planned Local Drainage Facilities Fee; 5) Dwelling Unit Fee; 6) Traffic Impact Fees; and 7) Urban Structure Fee (Park Development Fee, Administrative Office Fee, Corporate Yard Fee, and Operations Impact Fee, etc); 8) Landscape Fee.
11. Per the direction of the Director of Public Works, the submission of a hydrology study will be required with the grading plan check.
12. An encroachment permit shall be obtained from the Department of Public Works prior to doing any work within the public right-of-way.
13. Per the direction of the Director of Public Works, construct ADA “walk arounds” at driveway locations to the specifications of the Director of Public Works and install ADA curb ramps at all intersection.
14. Per the direction of the Director of Public Works, all street lighting systems designed after July 1, 2007, shall be designed as City owned and maintained street lighting systems. The Developer’s engineer shall prepare all plans necessary to build said street lighting system in accordance with Southern California Edison and City of Lancaster standards.
15. All construction and/or installation of improvements shall be undertaken to the specifications of the City of Lancaster Municipal Code.
16. Per direction of the Director of Public Works, comply with City Municipal Code, Chapter 13.20 Article II, entitled Installation/Relocation for New/Expanded Development of Overhead Utilities.

28. Prior to occupancy, the property shall be annexed into the Lancaster Lighting Maintenance District.
29. Prior to occupancy, the property shall be annexed into the Lancaster Drainage Maintenance District.
30. Street lights are required per adopted City ordinance or policy.
31. The applicant is hereby advised that the use of any signs, strings or pennants, banners or streamers, clusters of flags and similar attention-getting devices are prohibited, except where there has been prior approval from the Planning Department.
32. If any provision of this permit is held or declared to be invalid, the permit shall be void, and the privileges granted hereunder shall lapse.
33. It is further declared and made a condition of this permit that if any condition hereof is violated, or if any law, statute, or ordinance is violated, the permit shall be suspended and the privileges granted hereunder shall lapse provided that the applicant has been given written notice to cease such violation and has failed to do so for a period of thirty (30) days.
34. Prior to occupancy of any buildings or structures, the permittee shall request, not less than forty-eight (48) hours in advance, that on-site inspection be made by the Planning Department to verify that development of the property has occurred in conformity with conditions as enumerated in this permit.
35. Landscape materials, once approved, shall be maintained in perpetuity.
36. If the project is developed in phases, undeveloped portions of the site shall not contribute to blowing debris, dirt or dust.
37. If the project is developed in phases, all the development requirements shall be met for each phase including parking, landscaping, trash enclosures, drainage, etc.
38. The applicant shall be responsible for notifying the Planning Department in writing of any change in ownership, designation of a new engineer, or a change in the status of the developer, within thirty (30) days of said change.
39. The Planning Director shall execute the necessary documents to ensure the recording of this permit with the County Recorder's Office.
40. This conditional use permit will not be effective until ten (10) working days after the date upon which it is granted by the Planning Commission and until the applicant has executed and returned to the Planning Department an authorized acceptance of the conditions of approval applicable to said permit.

PC Resolution No. 10-23
Standard Conditions – Conditional Use Permit
May 17, 2010
Page 7

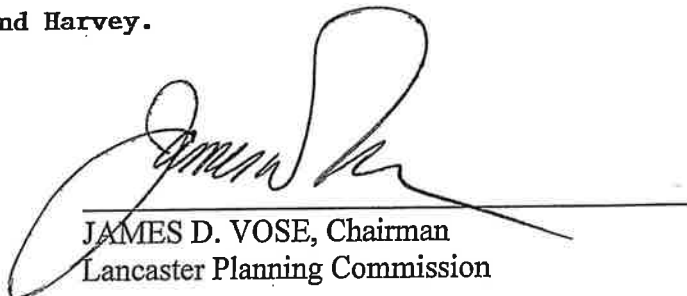
PASSED, APPROVED AND ADOPTED this 17th day of May, 2010, by the following vote:

AYES: **Commissioners Haycock, Jacobs and Malhi, Vice Chair Smith, and
Chairman Vose.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **Commissioners Burkey and Harvey.**



JAMES D. VOSE, Chairman
Lancaster Planning Commission

ATTEST:



BRIAN S. LUDICKE, Planning Director
City of Lancaster

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
					Initials	Date	Remarks
AIR QUALITY							
1.	<p>Prior to ground disturbance activities, the project operator shall provide evidence to the Development Services Director that the project operator and/or construction manager has developed a "Valley Fever Training Handout", training, and schedule of sessions for education to be provided to all construction personnel. All evidence of the training session materials, handout(s) and schedule shall be submitted to the Development Services Director within 24 hours of the first training session. Multiple training sessions may be conducted if different work crews will come to the site for different stages of construction; however, all construction personnel shall be provided training prior to beginning work. The evidence submitted to the Development Services Director regarding the "Valley Fever Training Handout" and Session(s) shall include the following:</p> <ul style="list-style-type: none"> • A sign-in sheet (to include the printed employee names, signature, and date) for all employees who attended the training session. • Distribution of a written flier or brochure that includes educational information regarding the health effects of exposure to criteria pollutant emissions and Valley Fever. • Training on methods that may help prevent Valley Fever infection. • A demonstration to employees on how to use personal protective equipment, such as respiratory equipment (masks), to 	<p>Prior to the final approval of grading plan, issuance of stockpile or construction permit, or any ground disturbing activities.</p>	<p>Submittal of training materials, sign-in sheets, and LA County Public Health approved plan.</p>	<p>Development Services Department, Community Development Division, and LA County Public Health</p>			

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	<p>reduce exposure to pollutants and facilitate recognition of symptoms and earlier treatment of Valley Fever. Where respirators are required, the equipment shall be readily available and shall be provided to employees for use during work. Proof that the demonstration is included in the training shall be submitted to the county. This proof can be via printed training materials/agenda, DVD, digital media files, or photographs.</p> <p>The project operator also shall consult with the Los Angeles County Public Health to develop a Valley Fever Dust Management Plan that addresses the potential presence of the Coccidioides spore and mitigates for the potential for Coccidioidomycosis (Valley Fever). Prior to issuance of permits, the project operator shall submit the Plan to the Los Angeles County Public Health for review and approval. The Plan shall include a program to evaluate the potential for exposure to Valley Fever from construction activities and to identify appropriate safety procedures that shall be implemented, as needed, to minimize personnel and public exposure to potential Coccidioides spores. Measures in the Plan shall include the following:</p> <ul style="list-style-type: none"> • Provide HEP-filters for heavy equipment equipped with factory enclosed cabs capable of accepting the filters. Cause contractors utilizing applicable heavy equipment to furnish proof of worker training on proper use of applicable heavy equipment cabs, such as turning the on air conditioning prior to using the 						

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	<p>equipment.</p> <ul style="list-style-type: none"> • Provide communication methods, such as two-way radios, for use in enclosed cabs. • Require National Institute for Occupational Safety and Health (NIOSH)-approved half-face respirators equipped with minimum N-95 protection factor for use during worker collocation with surface disturbance activities, as required per the hazard assessment process. • Cause employees to be medically evaluated, fit-tested, and properly trained on the use of the respirators, and implement a full respiratory protection program in accordance with the applicable Cal/OSHA Respiratory Protection Standard (8 CCR 5144). • Provide separate, clean eating areas with hand-washing facilities. • Install equipment inspection stations at each construction equipment access/egress point. Examine construction vehicles and equipment for excess soil material and clean, as necessary, before equipment is moved off-site. • Train workers to recognize the symptoms of Valley Fever, and to promptly report suspected symptoms of work-related Valley Fever to a supervisor. • Work with a medical professional to develop a protocol to medically evaluate 						

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	<p>employees who develop symptoms of Valley Fever.</p> <ul style="list-style-type: none"> Work with a medical professional, in consultation with the Los Angeles County Public Health, to develop an educational handout for on-site workers and surrounding residents within three miles of the project site, and include the following information on Valley Fever: what are the potential sources/ causes, what are the common symptoms, what are the options or remedies available should someone be experiencing these symptoms, and where testing for exposure is available. Prior to construction permit issuance, this handout shall have been created and reviewed by the project operator, and reviewed by the Development Services Director. No less than 30 days prior to any work commencing, this handout shall be mailed to all existing residences within three miles of the project boundaries. When possible, position workers upwind or crosswind when digging a trench or performing other soil-disturbing tasks. Prohibit smoking at the worksite outside of designated smoking areas; designated smoking areas will be equipped with handwashing facilities. Post warnings on-site and consider limiting access to visitors, especially those without adequate training and respiratory 						

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	<p>protection.</p> <ul style="list-style-type: none"> Audit and enforce compliance with relevant Cal OSHA health and safety standards on the job site. 						
BIOLOGICAL RESOURCES							
2.	<p>Burrowing owl protocol surveys shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established burrowing owl protocols. If burrowing owls are identified using the project site, buffer areas where no activity occurs shall be established around the occupied burrows. A buffer of 50-meters shall be established during the non-breeding season and the buffer zone increased to 75-meters during the breeding season.</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>Submittal of the report from a biologist with the results of the burrowing owl survey and a map showing buffer areas, if necessary.</p>	<p>Development Services Department, Community Development Division</p>			
3.	<p>A Swainson's hawk survey shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established Swainson's hawk protocols. No construction shall occur within 0.5 miles of an active Swainson's hawk nest or within 500 feet of active nests for other raptors.</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>Submittal of the report from a biologist with the results of the Swainson's hawk and raptor survey and a map showing buffer areas, if necessary.</p>	<p>Development Services Department, Community Development Division</p>			
4.	<p>A nesting bird survey shall be conducted within 30 days prior to the start of construction/ground disturbing activities. If nesting birds are encountered, all work in the area shall cease until either the young birds have fledged or the appropriate permits are obtained from the California Department of Fish and Wildlife.</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>Submittal of the report from a biologist with the results of the nesting bird survey</p>	<p>Development Services Department, Community Development Division</p>			
5.	<p>A preconstruction survey for American badger and desert kit fox shall be conducted no more than 30 days prior to the start of construction. In the event that potential dens are observed, the following buffer distances shall be established prior to</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground</p>	<p>Submittal of the report from a biologist with the results of the kit fox and American Badger surveys and</p>	<p>Development Services Department, Community Development Division</p>			

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	<p>construction activities:</p> <ul style="list-style-type: none"> Desert kit fox or American badger potential den: 30 feet Desert kit fox active den: 100 feet Desert kit fox natal den: 500 feet <p>If avoidance of potential dens is not possible, the following measures shall be enacted:</p> <ul style="list-style-type: none"> If the qualified biologist determines that potential dens are inactive, the biologist shall excavate these dens by hand with a shovel to prevent foxes from re-using them during construction. If the qualified biologist determines that potential dens may be active, an on-site passive relocation program shall be implemented. This program shall consist of excluding foxes from occupied burrows by installation of one-way doors at burrow entrances, monitoring of the burrow for one week to confirm usage has been discontinued, and excavation and collapse of the burrow to prevent reoccupation. After the qualified biologist determines that badgers and foxes have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction. 	disturbing activities	any necessary management measures.				

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6.	The applicant shall consult with the California Department of Fish and Wildlife to determine whether or not a Section 1602 Streambed Alteration Agreement is required prior to any work occurring within the delineated features along the potential gen-tie routes. If a Streambed Alteration Agreement is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).	Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities	A copy of the approved Streambed Alteration Agreement from the California Department of Fish and Wildlife (CDFW) or a letter from CDFW stating that one is not needed.	Development Services Department, Community Development Division		
7.	The applicant shall coordinate with the Lahontan Regional Water Quality Control Board to determine whether the applicant is required to obtain a Report of Waste Discharge prior to any work occurring within the delineated features along the potential gen-tie routes. If this permit is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).	Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities	A copy of the approved WDR or a letter from Lahontan stating that a WDR is not necessary.	Development Services Department, Community Development Division		
CULTURAL RESOURCES						
8.	<p>In the event that previously unknown cultural resources are identified during construction, the following requirements shall apply:</p> <ul style="list-style-type: none"> i. If human remains or funerary objects are encountered during any construction activities associated with the proposed project, work within a 100-foot buffer shall cease and the County Coroner shall be contacted pursuant to State Health and Safety Code Section 7050.5. ii. In the event that Native American cultural resources are discovered during any construction activities all work within a 60-foot buffer shall cease and a qualified archaeologist meeting the 	During construction.	Notification to the City of Lancaster, County Coroner, and/or any affected tribe.	Development Services Department, Community Development Division, County Coroner, and appropriate tribal parties		

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	<p>Secretary of the Interior standards shall be hired to assess the find. The appropriate tribes shall be contacted and provided information and invited to perform a site visit in conjunction with the archaeologist to provide Tribal input.</p> <p>iii. If significant Native American resources are discovered and avoidance cannot be ensured a Secretary of the Interior qualified archaeologist shall be retained to develop a cultural resource Treatment Plan, as well as a Discovery and Monitoring Plan. A copy of the draft document shall be provided to the appropriate tribes for review and comment. All in field investigation, assessment and/or data recovery pursuant to the Treatment Plan shall be monitored by a Tribal Monitor. Additionally, the applicant and City of Lancaster shall consult with the appropriate tribes on the disposition and treatment of any artifacts or other cultural materials encountered during the project.</p>						
9.	<p>The applicant shall in good faith contact the Fernandeno Tataviam Band of Mission Indians and the Morongo Band of Mission Indians to discuss and address concerns associated with the development of the site. A copy of any concerns and the proposed resolution/agreement shall be submitted to the City prior to the issuance of permits.</p>	<p>Prior to final approval of a grading/construction plan, issuance of stockpile or construction permit, or any ground disturbing activities</p>	<p>Submittal of agreement/resolution between developer and any affected tribe</p>	<p>Development Services Department, Community Development Division and appropriate tribal parties</p>			

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GEOLOGY AND SOILS						
10.	The applicant shall submit a Dust Control Plan to the Antelope Valley Air Quality Management District (AVAQMD) for review and approval in accordance with Rule 403, Fugitive Dust, prior to the issuance of any grading and/or construction permits. This plan shall demonstrate adequate water or dust suppressant application equipment to mitigate all disturbed areas.	Prior to vegetation removal, grubbing, grading, stockpile, or construction, the City shall receive a copy of the Dust Control Plan	A copy of the AVAQMD-approved Dust Control Plan Field Inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.		
11.	When water is used for dust control, water shall occur three times per day and shall be increased to four times per day when there is evidence of visible wind driven fugitive dust.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.		
12.	Signage shall be displayed on the project site in accordance with AVAQMD Rule 403 (Appendix A).	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.		
13.	All disturbed surfaces shall meet the definition of a stabilized surface upon completion of project construction.	Prior to issuance of certificate of completion	Field inspections	Development Services Department, Community Development Division and Building and Safety, and the AVAQMD.		
14.	The applicant shall submit an Active Operation Dust Control Plan for Renewable Energy Projects to the AVAQMD upon project completion. This plan shall be updated and renewed annually and must be in place for the life of the project.	During operation	Submission of Plan to AVAQMD for approval	AVAQMD		

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HAZARDS AND HAZARDOUS MATERIALS						
15.	Prior to any demolition activities associated with the existing residential structures, an asbestos survey shall be conducted to determine the presence or absence of asbestos and the results shall be submitted to the City. If asbestos containing materials are located, abatement of the asbestos shall be completed prior to demolition activities. Asbestos removal shall be performed by a State certified asbestos containment contractor in accordance with AVAQMD Rule 1403.	Prior to the issuance of permits	Submittal of asbestos survey and abatement report	Development Services Department, Community Development Division and Building and Safety; AVAQMD		
16.	Prior to any demolition activities associated with the existing residential structures, a lead-based paint survey shall be conducted to determine the presence or absence of lead-based paint and the results shall be submitted to the City. If lead-based paint is located, abatement of the paint shall be completed prior to any demolition activities in accordance with California Code of Regulations Title 8, Section 1532.1.	Prior to the issuance of permits.	Submittal of lead-based paint survey and abatement report	Development Services Department, Community Development Division and Building and Safety		
17.	In the event that the water wells on the project site will not be utilized with the proposed project, these wells shall be closed in accordance with all existing rules and regulations.	Prior to the issuance of permits.	Submittal of proof of closure.	Development Services Department, Community Development Division and Building and Safety		
18.	All debris on the project site shall be removed and disposed of in accordance with all existing rules and regulations	During construction	Submittal of disposal receipts	Development Services Department, Community Development Division and Building and Safety		
NOISE						
19.	Construction operations shall not occur between 8 p.m. and 7 a.m. on weekdays or Saturday or at any	During construction	Field inspections	Development Services Department, Community		

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
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	time on Sunday. The hours of any construction-related activities shall be restricted to periods and days permitted by local ordinance.			Development Division and Building and Safety			
20.	The on-site construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be established prior to construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
21.	Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
22.	Material stockpiles and mobile equipment staging, parking and maintenance areas shall be located as far away as practicable from noise-sensitive receptors.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
23.	The use of noise producing signals, including horns, whistles, alarms, and bells shall be for safety warning purposes only.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
24.	No project-related public address of music system shall be audible at any adjacent receptor.	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			
25.	All noise producing construction equipment and vehicles using internal combustion engines shall be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory	During construction	Field inspections	Development Services Department, Community Development Division and Building and Safety			

**MITIGATION MONITORING PLAN (Attachment B)
GPA 18-04/ZC 18-04/CUP 18-09**

Mit. / Cond. No.	Mitigation Measure/ Conditions of Approval	Monitoring Milestone (Frequency)	Method of Verification	Party Responsible for Monitoring	VERIFICATION OF COMPLIANCE		
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	specifications. Mobile or fixed "package" equipment (e.g., arc-welders, air compressors, etc.) shall be equipped with shrouds and noise control features that are readily available for the type of equipment.						

1. Project title and File Number: General Plan Amendment No. 18-04
Zone Change No. 18-04
Conditional Use Permit No. 18-09

2. Lead agency name and address: City of Lancaster
Development Services Department
Community Development Division
44933 Fern Avenue
Lancaster, California 93534

3. Contact person and phone number: Jocelyn Swain, Principal Planner
(661) 723-6100

4. Applicant name and address: Antelope Expansion 1B, LLC (dba sPower)
5000 East Spring Street, Suite 130
Long Beach, CA 90815

5. Location: ±135 gross acres generally bounded by Avenue H,
Avenue H-12, 75th Street West and 67th Street West

Assessor Parcel Numbers (APNs: 3268-021-015,
3268-021-016, 3268-021-901, and 3268-025-900)

6. General Plan designation: Existing: Non-Urban Residential (NU), and
Park (PK)
Proposed: NU

7. Zoning: Existing: RR-2.5 (Rural Residential, minimum lot
size 2.5 acres), and PK (Park)
Proposed: RR-2.5

8. Description of project:

The proposed project consists of a utility scale, 25 megawatt (MW) photovoltaic solar electric generating facility and multiple 34-kilovolt (kV) and 66 kV gen-tie lines (underground). The proposed project will operate year-round, producing electric power during daytime hours. The proposed schedule is to begin site preparation and construction of the facility in late 2018 with construction completed and the facility commercially operational by first half of 2019.

The proposed project will have a generating capacity of approximately 25 MW and will be located on approximately 135 gross acres of previously disturbed agricultural land. The project will employ photovoltaic (PV) modules that convert sunlight directly into electrical energy without the use of heat transfer fluid or cooling water. The facility will include communication lines and a 34-kV/66-kV gen-tie line(s) connecting the project to an existing approved substation at approximately Avenue G-8 and 100th Street West and ultimately SCE's Antelope Substation.

The proposed project will be constructed in phases, operated for a period of at least 35 years, and consists of the following elements: PV modules; module mounting system; balance of system and electrical boxes (e.g., combiner boxes, electrical disconnects); electrical inverters and transformers; energy storage solutions; electrical AC collection system, including switchgear; data monitoring equipment, transmission and generation tie lines, and access roads and security fencing.

Solar PV Generation Facility

A series of PV module arrays will be mounted on racking systems supported typically by a pile driven foundation design. The module mounting system or racking system will be fixed tilt or tracker PV array configuration oriented to maximize the amount of incident solar radiation absorbed over the course of the year. For the tracking configuration, the modules will rotate from east to west over the course of the day.

Electrical connections from a series of PV arrays will be channeled to combiner boxes located throughout the solar field. Electrical current will be collected and combined prior to feeding the inverters. The solar field will be laid out in a common PV block design to allow adequate clearance or access roads and adequate access for maintenance. Inverters will be consolidated in areas to minimize cable routing, trenching, and minimal electrical losses. The AC output from the inverters will be routed through an AC collection system and consolidated with system switchgear. The final output from the proposed project will be processed through a transformer to match the interconnection voltage. The energy will ultimately be delivered to the SCE transmission network at the Antelope Substation.

The actual number of PV modules will depend on the technology selected, optimization evaluation and detailed design. The market conditions, economic considerations and environmental factors will be taken into account during the detailed design process. The following PV module technologies or equivalent are under consideration: PV thin-film technology; PV crystalline silicon technology; stationary fixed-tilt modular configuration; or tracking module configuration.

The module mounting system provides the structure that supports the PV module arrays. The foundations are typically steel pipes/piles driven into the soil using pneumatic or similar techniques for pile driving. Once the foundation has been installed, the module racking system will be installed to support the PV modules. For a tracking configuration, motors will be installed to drive the tracking mechanism. The module mounting system will be oriented in rows within a PV design block reflecting a standard and uniform appearance across the facility. The module configuration will typically be unique in structural height and width although the actual height of the arrays will vary based on ground elevations. Grading activity will be limited to access roads where appropriate to minimize dust generation throughout the construction and operation of the facility.

DC Collection, Inverters, AC Collection, and Transformers

Modules will be electrically connected into strings. Each string will be funneled by electrical conduit underground to combiner boxes located throughout the solar field power blocks. The output power cables from the combiner boxes will be consolidated and feed the DC electricity to inverters which convert the DC to AC.

System transformers will step up the AC power to the appropriate interconnection voltage. As required, switchgear cabinetry will be provided for circuit control. All electrical inverters, transformers, and gear will be placed on concrete foundation structures. The proposed project, including inverter equipment, will be designed and laid out in MW increments/blocks. Each inverter will be fully-enclosed, pad-mounted, and stand approximately 95 inches in height. The AC output of two inverters will be fed via underground cables into the low-voltage side of the inverter step-up transformer, generally within 20 feet of the inverters.

Energy Storage

Energy storage would include an intelligent battery system onsite. The battery storage technology is a modular fully enclosed power storage system that uses telecommunication systems and real-time control software to charge and discharge the battery according to power delivery needs. Typical modular energy storage solutions are approximately 102 inches (8.5 feet) in height and 20 to 40 feet in length. The energy storage solution would be located near inverter stations or near switchgear and will depend upon the technology chosen and needs of the overall system.

Switchgear

The potential switchgear area would be excavated for the transformer equipment, control building foundation, and oil containment area. Reinforced concrete is used for foundations. Structural components in the switchgear areas would include: transformers, switchgear, and safety systems; and footings and oil containment system for transformers. The transformer would be approximately 87 inches in height, pad mounted and enclosed together with switchgear and a junction box. The high-voltage output of the transformer would be combined in series via underground collector cable to the junction box of the transformer in closest proximity. Distances can range from 60 feet to 700 feet throughout the project site. The collector system cables would be tied at underground junction boxes to the main underground collector cables, composed of a larger gauge wire, to the location of the generator step-up transformer (GSU). The main collector cables would rise into the low-voltage busbar and protection equipment that is enclosed together with the GSU. The primary switchgear includes the main circuit breaker and utility metering equipment, and would be enclosed separately and pad mounted together with the GSU. Both the GSU and the primary switchgear stand approximately 87 inches in height. The output of the switchgear would be the start of the gen- tie.

Gen-Tie and Telecommunications

Multiple 34 kV underground gen-tie lines and up to 66 kV underground gen-tie lines will connect the proposed project to an existing approved substation located at Avenue G-8 and 100th Street West. The proposed project will connect to the substation any combination of the following:

- Avenue H between 100th Street West and 70th Street West;

- Avenue H-8 between 80th Street West and 70th Street West
- Avenue G-12 between 80th Street West (through APN 3268-021-901) and 100th Street West;
- 100th Street West between Avenue G-12 and Avenue H;
- 93rd Street West between Avenue G-12 and Avenue H;
- Approximately 90th Street West between Avenue G-8 and Avenue H;
- Avenue G-8 between 90th Street West and approximately 80th Street West;
- 80th Street West between Avenue H and Avenue G-8;
- 75th Street West between Avenue H-8 and Avenue H; and/or
- 70th Street West between Avenue H-8 and Avenue H.

It is expected that one main path will be used for the gen-tie corridor, with deviations from the path as necessary. Electricity at the substation will be stepped up to 220 kV and will ultimately be delivered to the existing SCE Antelope Substation.

Data Collection System

The proposed project will be designed with a comprehensive Supervisory Control and Data Acquisition (SCADA) system for remote monitoring of facility operation and/or remote control of critical components. The system will also include a meteorological (met) data collection system with the following weather sensors: a pyranometer for measuring solar irradiance, a thermometer to measure air temperature, a barometric pressure sensor to measure atmospheric pressure, and two wind sensors to measure speed and direction.

Project Construction

Project construction will consist of three major phases: 1) site preparation; 2) PV system installation, testing and startup; and 3) site cleanup/restoration.

Site Preparation

Construction of the PV facility will begin with initial clearing and grading (if required) of the staging areas. Access to the project site will be improved to appropriate construction standards. The staging areas will typically include construction offices, a first aid station and other temporary buildings, worker parking, truck loading and unloading facilities, and an area for assembly. Road corridors will be surveyed, cleared and graded to bring equipment, materials and workers to the areas under construction. Buried electrical lines, PV array locations and the locations of other facilities may be flagged and staked to guide construction activities. The project site will be fenced with a security fence which has a secured controlled main access gate at the entrance.

PV System Installation

PV system installation will include earthwork, grading, and erosion control, as well as erection of the PV modules, supports, and associated electrical equipment. System installation will begin with teams installing the mounting and steel/concrete piers support structures. The exact design will be finalized pending specific soil conditions. The foundation methods may include vibration drive screw piles or aboveground ballast foundations. This will be followed by panel installation and electrical work.

Concrete may be required for the footings, foundations, and will be required for pads for the transformers. Concrete will be produced at an off-site location by a local provider and transported to the project site by truck. The enclosures housing the inverters will have pre-cast concrete bases. The PV modules require a moderately flat surface for installation. Some earthwork, including grading, fill, compaction, and erosion control cultivation may be required to accommodate the placement of PV arrays, foundations or footings, access roads and drainage features. Construction of PV arrays will include installation of support beams, module rail assemblies, PV modules, inverters, transformers, and buried electrical cables.

Construction Workers, Hours and Equipment

The construction activities are expected to be completed in approximately 6 to 8 months. Construction activities will be conducted consistent with City of Lancaster regulations regarding hours of construction. The project will generate an estimated 105 new jobs during the construction phase and will provide approximately one to two full time positions over the life of the facility for operation and maintenance activities.

Operation and Maintenance

For the duration of the operational phase, the proposed project will be operated on an unstaffed basis and monitored remotely, with regular on-site personnel visitations for security, maintenance and system monitoring. There will be no full time site personnel on-site during operation. As the project's PV arrays produce electricity passively with minimal moving parts, maintenance requirements will be limited. Any required planned maintenance will be scheduled to avoid peak load periods and unplanned maintenance will typically be responded to as needed depending upon the event. An inventory of spare components will be readily available from a remote warehouse facility.

Project Decommissioning

The developer will decommission and remove the system and its components at the end of the life of the facility. The project site could then be converted to other uses in accordance with applicable land use regulations in effect at that time. All decommissioning and restoration activities will adhere to the requirements of the appropriate governing authorities and will be in accordance with all applicable federal, state, and City of Lancaster regulations. A collection and recycling program will be executed to dispose of the site materials.

General Plan Amendment and Zone Change

Solar facilities are only allowed in the RR-2.5 and Heavy Industrial zones. A portion of the project site is currently zoned for park uses (APN 3268-025-900). As such, the applicant has requested to change the

general plan designation on this parcel from PK to NU. They are also requesting to change the zoning on this parcel from PK to RR-2.5 in order to allow for the development of the solar facility.

9. Surrounding land uses and setting:

The area immediately surrounding the project site is a mix of vacant land and single family homes. Four single family residences are located on the north side of Avenue H immediately adjacent to the project site. A total of seven single family homes are located immediately south and east of the parcel located on the east side of 70th Street West. Additional single family residences are scattered throughout the area. A construction storage yard for the Barren Ridge line is located approximately a half mile south of the project site on the south side of Avenue I and the Lancaster State Prison is located approximately one mile to the southeast. Solar facilities are located starting at 80th Street West and Avenue I heading westward and south towards Avenue L. Table 1 provides the zoning and land uses for the properties immediately adjacent to the project site. In addition to the scattering of single family uses in the generally vicinity of the project site, the community of Antelope Acres is located on large lots north of Avenue G, around 90th Street West.

**Table 1
Zoning/Land Use Information**

Direction	Zoning		Land Use
	City	County	
North		A-2-2.5 (Heavy Agriculture, minimum lot size 2.5 acres)	Vacant, four single family homes on the north side of Avenue H
East	RR-2.5		Vacant; two single family homes immediately adjacent to the project site at the southeast corner of 70 th Street West and Avenue H and on the east side of 67 th Street West. Another single family residence is located south of Avenue H along 67 th Street West but not adjacent to the project site.
South	RR-2.5	A-2-2 (Heavy Agriculture, minimum lot size 2 acres)	Vacant, six single family residences located south of the parcel on the east side of 70 th Street West
West	RR-2.5	A-2-2	Vacant, former agricultural holding ponds

10. Other public agencies whose approval is required (e.g. permits, financing approval, or participation agreement.)

Approvals from other public agencies for the proposed project include, but are not limited to, the following:

- Antelope Valley Air Quality Management District (AVAQMD) (dust control plan)

- Los Angeles County Fire Department
 - Southern California Edison (interconnection agreement)
 - California Department of Fish and Wildlife
 - Regional Water Quality Control Board – Lahontan
11. Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code Section 21080.3.1? If so, has consultation begun?

In accordance with Senate Bill (SB) 18 and Assembly Bill (AB) 52, the City sent letters to a total of six tribes (ten individuals) that have either been identified by the Native American Heritage Commission (NAHC) or that have directly contacted the City for notification via certified, return receipt mail on April 4, 2018. These letters included copies of the site plan, cultural resources report, and an aerial photograph along with the offer to consult on the project. Table 2 identifies the six tribes, the person whose attention the letter was directed to, and the date the letter was received.

Table 2
Tribal Notification

Tribe	Person/Title	Date Received
Fernandeno Tataviam Band of Mission Indians	Jairo Avila/ Tribal Historic and Cultural Preservation Officer	April 7, 2018
Serrano Nation of Mission Indians	Goldie Walker/ Chairperson	April 11, 2018
San Fernando Band of Mission Indians	John Valenzuela/ Chairperson	April 20, 2018
Gabrieleno Band of Mission Indians – Kizh Nation	Andrew Salas/ Chairman	April 7, 2018
Morongo Band of Mission Indians	Robert Martin/Chairperson	April 9, 2018
Morongo Band of Mission Indians	Denisa Torres/Cultural Resources Manager	April 9, 2018
San Manuel Band of Mission Indians	Lee Clauss/ Director of Cultural Resources	April 7, 2018
Fernandeno Tataviam Band of Mission Indians	Alan Salazar/ Chairman, Elders Council	April 7, 2018
Fernandeno Tataviam Band of Mission Indians	Beverly Salazar/Councilmember	April 7, 2018
Fernandeno Tataviam Band of Mission Indians	Beverly Folkes/Elders Council	April 7, 2018

The City received responses from three of the tribes: San Manuel Band of Mission Indians, the Fernandeno Tataviam Band of Mission Indians, and Morongo Band of Mission Indians. The San Manuel Band of Mission Indians has no specific concerns regarding the proposed project; however, they have requested specific language be included to address cultural resources in the event that previously unknown resources are identified during construction. This mitigation measure has been included in the cultural resources section.

The Fernandeno Tataviam Band of Mission Indians sent an email stating that they are interested in participating consultation and requesting additional information. Most of the information the Tribe is requesting be provided on the form was already provided on the proposed site plan and cultural resources report that was sent with the original letter. The Morongo Band of Mission Indians requested information on the titles of the previous studies that were mentioned in the cultural resources survey along with consultation to address any concerns. A mitigation measure has been added requiring the applicant to consult with both tribes and address any concerns prior to the issuance of any construction related permits.

No other tribes have responded to the SB 18/AB 52 consultation letter.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- Aesthetics
- Agriculture and Forest Resources
- Air Quality
- Biological Resources
- Cultural Resources
- Geology/Soils
- Greenhouse Gas Emissions
- Hazards & Hazardous Materials
- Hydrology/Water Quality
- Land Use/Planning
- Mineral Resources
- Noise
- Population/Housing
- Public Services
- Recreation
- Transportation/Traffic
- Tribal Cultural Resources
- Utilities/Service Systems
- Mandatory Findings of Significance

DETERMINATION - On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared:
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in a earlier EIR or NEGATIVE DECLARATION pursuant to applicant standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.


 Jocelyn Swain, Principal Planner

8/14/18
 Date

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
- 4) “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant (mitigation measures from Section XVII, “Earlier Analyses,” may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation measures. For effects that are “Less than Significant with Mitigation Measures Incorporated”, describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.

- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
 - a) the significance criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significant.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
I. <u>AESTHETICS</u> -- Would the project:				
a) Have a substantial adverse effect on a scenic vista?			X	
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?			X	
c) Substantially degrade the existing visual character or quality of the site and its surroundings?			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			X	
II. <u>AGRICULTURE AND FOREST RESOURCES:</u> In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and the forest carbon measurement methodology provided in the Forest Protocols adopted by the California Air Resources Board. Would the project:				

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?			X	
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)) or timberland (as defined in Public Resources Code Section 4526)?				X
d) Result in the loss of forest land or conversion of forest land to non-forest use?				X
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?				X
III. <u>AIR QUALITY</u> -- Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable Air Quality Plan?			X	
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?			X	

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?			X	
d) Expose sensitive receptors to substantial pollutant concentrations?		X		
e) Create objectionable odors affecting a substantial number of people?			X	
IV. BIOLOGICAL RESOURCES -- Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?		X		
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?		X		

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X
V. <u>CULTURAL RESOURCES</u> -- Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?			X	
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?		X		
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of dedicated cemeteries?				X

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VI. <u>GEOLOGY AND SOILS</u> -- Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				X
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?				X
iv) Landslides?				X
b) Result in substantial soil erosion or the loss of topsoil?		X		
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				X
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?			X	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for disposal of waste water?				X

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VII. <u>GREENHOUSE GAS EMISSIONS</u> -- Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			X	
b) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?			X	
VIII. <u>HAZARDS AND HAZARDOUS MATERIALS</u> -- Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?		X		
b) Create a significant hazard to the public or the environment through reasonably fore-seeable upset and accident conditions involving the release of hazardous materials into the environment?		X		
c) Emit hazardous emissions or handle hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would it create a significant hazard to the public or the environment?		X		
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				X

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?			X	
IX. HYDROLOGY AND WATER QUALITY – Would the project:				
a) Violate any water quality standards or waste discharge requirements?			X	
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?			X	
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in substantial erosion or siltation on- or off-site?			X	

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on-or off-site?			X	
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems?			X	
f) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate map or other flood hazard delineation map?				X
g) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				X
h) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
i) Inundation by seiche, tsunami, or mudflow?				X
X. <u>LAND USE AND PLANNING</u> -- Would the project:				
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
c) Conflict with any applicable habitat conservation plan or natural communities conservation plan?				X
XI. MINERAL RESOURCES – Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?				X
XII NOISE -- Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?		X		
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?		X		
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?		X		
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X
XIII. POPULATION AND HOUSING -- Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				X
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X
XIV. PUBLIC SERVICES				
Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire protection?			X	
Police protection?			X	
Schools?				X
Parks?				X

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
Other public facilities?				X
XV. RECREATION --				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				X
XVI. TRANSPORTATION/TRAFFIC -- Would the project:				
a) Exceed the capacity of the existing circulation system, based on an applicable measure of effectiveness (as designated in a general plan policy, ordinance, etc.), taking into account all relevant components of the circulation system, including but not limited to, intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?			X	
b) Conflict with an applicable congestion management program, including, but not limited to, level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?				X
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X
f) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				X
XVII. TRIBAL CULTURAL RESOURCES -- Would the project cause a substantial adverse change in the significance of a tribal cultural resources, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place or object with cultural value to a California Native American tribe and that is:				
a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k), or			X	
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set for in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significant of the resource to a California Native American tribe.			X	

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVIII. UTILITIES AND SERVICE SYSTEMS -- Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?			X	
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
d) Have sufficient water supplies available to serve the project from existing resources, or are new or expanded entitlements needed?			X	
e) Have a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			X	
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?			X	
g) Comply with federal, state, and local statutes and regulations related to solid waste?			X	

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XIX. <u>MANDATORY FINDINGS OF SIGNIFICANCE</u> --				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?		X		
b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?		X		
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?		X		

DISCUSSION OF ENVIRONMENTAL CHECKLIST

I. AESTHETICS

- a. Views of two scenic areas are available from the roadways and areas surrounding the project site as identified by the City of Lancaster’s General Plan (LMEA Figure 12-1). These scenic resources include views of the Foothill Area (Scenic Area 1) and Quartz Hill (Scenic Area 3). The Antelope Valley California Poppy Reserve is also distantly visible to the far west of the project site (approximately 7 miles).

With implementation of the proposed project, the available views of the identified scenic resources would not change and would continue to be available from the roadways and area surrounding the project site. The change in the project site would be visible; however, the project site would be fenced and screened with landscaping/native plants along the perimeter where visible from existing or major planned roadways including

Avenue H, 70th Street West, and adjacent to properties with residential development. The height of the PV panels would be approximately 8 to 10 feet depending upon the technology selected and would not exceed 14 feet. This is substantially lower than a single family home. The height of the development would not impede views of the mountains while traveling on any of the surrounding roadways. Therefore, impacts would be less than significant.

- b. The proposed project would not remove any scenic resources such as rock outcroppings. Development of the portion of the project site located at the southwest corner of 70th Street West and Avenue H would remove the structures associated with the Bench Ranch including a house, cottage, barns, water tanks, sheds, large animal shelters, corrals, fences and temporary buildings. These structures would be replaced with photovoltaic solar panels and associated infrastructure. These structures are not considered historically significant (see the discussion under Item V a-d). Additionally, the project site not located along a scenic highway or locally designated scenic roadway and development of the project site would not change the available long range views of the mountains. Therefore, impacts would be less than significant.
- c. The proposed project would change the visual character of the project site in that it would replace fallow agricultural land, disturbed desert, and the Bench Ranch with photovoltaic solar electric generating facilities. While this would change the character of the existing site, the proposed project would be compatible with the large-scale transmission lines in the area, the Southern California Edison Substations on the southeast corner of Avenue H and 90th Street West (Del Sur Substation) and Avenue J and 90th Street West (Antelope Substation), and the existing solar facilities to the west, northwest, and southwest of the project site. The height of the PV panels is estimated at approximately 10 feet and they would not exceed 14 feet. The inverters, transformers, and battery storage facilities would be approximately 7.5 feet in height. Additionally, the proposed project would have a 10-foot landscaped area along Avenue H, 70th Street West, and adjacent to existing residential uses. Therefore, impacts would be less than significant.
- d. The proposed project would create new sources of lighting from security and perimeter lighting. The area surrounding the project site has some ambient lighting predominantly from the single family residential uses scattered around the project site, lighting from the Del Sur Substation and Del Sur Elementary School, and vehicle headlights/streetlights along Avenue H, and 70th Street West. Lighting from the construction storage yard along Avenue I at 70th Street West (1/2-mile south) and the California State Prison (1 mile southeast) can also be seen in the area. The lighting on the project site would be shielded and focused downward. No sources of glare are anticipated on the project site as the PV panels are designed to absorb sunlight, not reflect it. Any structures on the project site would be constructed from non-reflective materials to the extent feasible. The water tanks required by the fire department would be painted a neutral color. Therefore, light and glare impacts would be less than significant.

II. AGRICULTURE AND FOREST RESOURCES

- a. The California Department of Conservation, Division of Land Resource Protection, Farmland Mapping and Monitoring Program (FMMP), tracks and categorizes land with respect to agricultural resources. Land is designated as one of the following and each has a specific definition: Prime Farmland, Farmland of Statewide Importance, Unique Farmland, Farmland of Local Importance, Grazing Land, Urban and Built-Up Land, and Other Land.

The maps for each county are updated every two years. The Los Angeles County Farmland Map was last updated in 2016. Based on the 2016 map, the project site is designated as a Grazing Land and Other Land.

Grazing land is defined as “land on which the existing vegetation is suited to the grazing of livestock”. Other Land is defined as “land not included in any other mapping category. Common examples include low density rural developments, brush, timber, wetland, and riparian areas not suitable for livestock grazing, confined livestock, poultry, or aquaculture facilities, strip mines, borrow pits, and water bodies smaller than 40 acres. Vacant and nonagricultural land surrounded on all sides by urban development and greater than 40 acres is mapped as other land.” Neither grazing land or other land is categorized as farmland of importance by the State. As the project site is not designated as farmland of importance by the State nor are they currently utilized for agricultural purposes, no impacts to agricultural resources would occur.

- b. The portions of the project site that are zoned as RR-2.5 allow for agricultural uses and the zoning on the parcel currently designated as PK (which does not allow for agricultural uses) is being changed to RR-2.5. The project is not under agricultural production and none of the surrounding properties are under agricultural production. The proposed project consists of the development and operation of a photovoltaic solar electric generating facility and would not interfere with any agricultural uses (e.g., ranches, etc.) that may be in the area. Additionally, the project site or surrounding area is not subject to a Williamson Act contract. Therefore, impacts would be less than significant.
- c-d. According to the City of Lancaster’s General Plan, there are no forests or timberlands located within the City of Lancaster. Therefore, the proposed projects would not result in the rezoning of forest or timberland and would not cause the loss of forest land or the conversion of forest land to non-forest land. No impacts would occur.
- e. See responses to Items IIa-d.

III. AIR QUALITY

- a. Development proposed under the City of Lancaster’s General Plan would not create air emissions that exceed the Air Quality Management Plan (GPEIR pgs. 5.5-21 to 5.5-22). The proposed project consists of the construction and operation of a photovoltaic solar electric generating facility. A portion of the project site is currently designated for Park uses (APN 3268-025-900) under the City’s General Plan. The applicant is seeking a general plan amendment and zone change to change the designation on this property to

NU and the zoning to RR-2.5 which would allow the construction of the proposed project with a conditional use permit. This is a substantially less intensive use than the park uses identified in the general plan and accounted for in the Air Quality Management Plan. Therefore, any air emissions generated by the proposed project have already been accounted for and the project would not conflict with or obstruct the implementation of the Air Quality Management Plan and impacts would be less than significant.

- b. Construction of the proposed project would generate air emissions associated with limited grading, use of heavy equipment, construction worker vehicles, etc. However, the emissions are not anticipated to exceed the construction emission thresholds established by the Antelope Valley Air Quality Management District (AVAQMD) due to the size and type of the proposed project. Therefore, construction emissions would be less than significant.

The proposed project would generate, at most, a handful of vehicle trips per week for maintenance purposes (e.g., equipment repair, vegetation/landscaping maintenance, etc.). Operation of the proposed project would be done remotely and the solar fields do not generate air emissions. Vehicle trips associated with the proposed project would generate emissions; however, due to the minimal number of vehicle trips per week, these emissions would not be sufficient to create or significantly contribute towards violations of air quality standards. Therefore, emissions associated with the operation of the proposed project would be less than significant.

A discussion of dust control measures during construction and operation of the proposed project can be found under Item VI.b and a discussion of valley fever can be found under Item III.d.

- c. The proposed project, in conjunction with other development as allowed by the General Plan, would result in a cumulative increase in pollutants. However, since the emissions associated with the construction and operation of the proposed project would be less than significant; the project's contribution would not be cumulatively considerable.
- d. The closest sensitive receptors to the project site are the four single family residences on the north side of Avenue I and the seven single family residences located to immediately south and east of the parcel located on the east side of 70th Street West. Additionally, other single family homes are scattered throughout the general vicinity of the project site and the community of Antelope Acres is located north of Avenue G and the Del Sur Elementary School is located at the northwest corner of 90th Street West and Avenue H. Based on the amount of traffic expected to be generated by the proposed project, no significant traffic impacts would be anticipated. Additionally, the air emissions from the construction or operation of the proposed project would not exceed the thresholds established by the AVAQMD. Therefore, substantial pollutant concentrations would not occur and impacts would be less than significant.

However, since the construction of the proposed project would result in the disturbance of the soil, it is possible individuals could be exposed to Valley Fever. Valley Fever or coccidioidomycosis, is primarily a disease of the lungs caused by the spores of the *Coccidioides immitis* fungus. The spores are found in soils, become airborne when the

soil is disturbed, and are subsequently inhaled into the lungs. After the fungal spores have settled in the lungs, they change into a multicellular structure called a spherule. Fungal growth in the lungs occurs as the spherule grows and bursts, releasing endospores, which then develop into more spherules.

Valley Fever is not contagious, and therefore, cannot be passed on from person to person. Most of those who are infected would recover without treatment within six months and would have a life-long immunity to the fungal spores. In severe cases, especially in those patients with rapid and extensive primary illness, those who are at risk for dissemination of disease, and those who have disseminated disease, antifungal drug therapy is used.

Nearby sensitive receptors as well as workers at the project site could be exposed to Valley Fever from fugitive dust generated during construction. There is the potential that cocci spores would be stirred up during excavation, grading, and earth-moving activities, exposing construction workers and nearby sensitive receptors to these spores and thereby to the potential of contracting Valley Fever. However, implementation of Mitigation Measures 10-14 (see Geology and Soils) which requires the project operator to implement dust control measures in compliance with AVAQMD Rule 403, and implementation of Mitigation Measure 1, below, which would provide personal protective respiratory equipment to construction workers and provide information to all construction personnel and visitors about Valley Fever, the risk of exposure to Valley Fever would be minimized to a less than significant level.

1. Prior to ground disturbance activities, the project operator shall provide evidence to the Development Services Director that the project operator and/or construction manager has developed a "Valley Fever Training Handout", training, and schedule of sessions for education to be provided to all construction personnel. All evidence of the training session materials, handout(s) and schedule shall be submitted to the Development Services Director within 24 hours of the first training session. Multiple training sessions may be conducted if different work crews will come to the site for different stages of construction; however, all construction personnel shall be provided training prior to beginning work. The evidence submitted to the Development Services Director regarding the "Valley Fever Training Handout" and Session(s) shall include the following:
 - A sign-in sheet (to include the printed employee names, signature, and date) for all employees who attended the training session.
 - Distribution of a written flier or brochure that includes educational information regarding the health effects of exposure to criteria pollutant emissions and Valley Fever.
 - Training on methods that may help prevent Valley Fever infection.
 - A demonstration to employees on how to use personal protective equipment, such as respiratory equipment (masks), to reduce exposure to pollutants and facilitate recognition of symptoms and earlier treatment of Valley Fever. Where respirators are required, the equipment shall be readily available and shall be provided to employees for use during work. Proof that the demonstration is included in

the training shall be submitted to the county. This proof can be via printed training materials/agenda, DVD, digital media files, or photographs.

The project operator also shall consult with the Los Angeles County Public Health to develop a Valley Fever Dust Management Plan that addresses the potential presence of the *Coccidioides* spore and mitigates for the potential for *Coccidioidomycosis* (Valley Fever). Prior to issuance of permits, the project operator shall submit the Plan to the Los Angeles County Public Health for review and approval. The Plan shall include a program to evaluate the potential for exposure to Valley Fever from construction activities and to identify appropriate safety procedures that shall be implemented, as needed, to minimize personnel and public exposure to potential *Coccidioides* spores. Measures in the Plan shall include the following:

- Provide HEP-filters for heavy equipment equipped with factory enclosed cabs capable of accepting the filters. Cause contractors utilizing applicable heavy equipment to furnish proof of worker training on proper use of applicable heavy equipment cabs, such as turning on air conditioning prior to using the equipment.
- Provide communication methods, such as two-way radios, for use in enclosed cabs.
- Require National Institute for Occupational Safety and Health (NIOSH)-approved half-face respirators equipped with minimum N-95 protection factor for use during worker collocation with surface disturbance activities, as required per the hazard assessment process.
- Cause employees to be medically evaluated, fit-tested, and properly trained on the use of the respirators, and implement a full respiratory protection program in accordance with the applicable Cal/OSHA Respiratory Protection Standard (8 CCR 5144).
- Provide separate, clean eating areas with hand-washing facilities.
- Install equipment inspection stations at each construction equipment access/egress point. Examine construction vehicles and equipment for excess soil material and clean, as necessary, before equipment is moved off-site.
- Train workers to recognize the symptoms of Valley Fever, and to promptly report suspected symptoms of work-related Valley Fever to a supervisor.
- Work with a medical professional to develop a protocol to medically evaluate employees who develop symptoms of Valley Fever.
- Work with a medical professional, in consultation with the Los Angeles County Public Health, to develop an educational handout for on-site workers and surrounding residents within three miles of the project site, and include the following information on Valley Fever: what are the potential sources/ causes, what are the common symptoms, what are the options or remedies available should someone be experiencing these symptoms, and where testing for exposure is available. Prior to construction permit issuance, this handout shall have been created by the project operator and reviewed by the project operator and

reviewed by the Development Services Director. No less than 30 days prior to any work commencing, this handout shall be mailed to all existing residences within three miles of the project boundaries.

- When possible, position workers upwind or crosswind when digging a trench or performing other soil-disturbing tasks.
 - Prohibit smoking at the worksite outside of designated smoking areas; designated smoking areas will be equipped with handwashing facilities.
 - Post warnings on-site and consider limiting access to visitors, especially those without adequate training and respiratory protection.
 - Audit and enforce compliance with relevant Cal OSHA health and safety standards on the job site.
- e. Construction and operation of the proposed project is not anticipated to produce significant objectionable odors. Construction equipment may generate some odors, but these odors would be similar to those produced by vehicles traveling along Avenue H and 70th Street West. Most objectionable odors are typically associated with industrial projects involving the use of chemicals, solvents, petroleum products and other strong smelling elements used in manufacturing processes, as well as sewage treatment facilities and landfills. These types of uses are not part of the proposed project. The proposed project would not generate any odors as it is a photovoltaic solar electric generating facility and no odorous chemicals would be utilized. Small amounts of dielectric fluid and mineral oil would be utilized in the operation and maintenance of the transformers and electrical components. These materials would not have a noticeable odor. Therefore, impacts would be less than significant.

IV. BIOLOGICAL RESOURCES

- a. A biological resources survey was conducted for the project site by SWCA Environmental Consultants and documented in a report entitled “Biological Resources Report for the Antelope Expansion 1B Solar Project, Los Angeles County, California” and dated March 4, 2018. The following summarizes the results of this survey.

As part of the preparation of the report, the following databases were queried for data relevant to the project site: CDFW California Natural Diversity Database (CNDDDB) RareFind 5; California Native Plant Society Online Inventory of Rare and Endangered Plants; eBird’s web-based bird database; USFWS web-based Wetland Mapper; EPA My Waters Mapper; and USDA web soil survey.

A field survey of the project site was conducted on October 4, 2017. Habitat conditions in the project area are considered poor with highly disturbed areas. One vegetation community was mapped within the project area: Red Brome Grasslands (*Bromus madritensis* ssp. *rubens*). The remainder of area is either developed or disturbed. Table 3 provides a list of the plant species that were identified on site during the project survey. The common name of the plant is provided followed by the scientific name in (). There are no records for the project site of sensitive plant species in the existing databases and no special status plant species were observed during the survey.

Table 4 provides a list of the wildlife species observed on the project site during the site surveys. Based on a literature and database review, it was determined that 22 sensitive wildlife species were found within a 9-quadrant records search and 14 of these sensitive wildlife species have the potential to occur on the project.

While burrowing owls were not observed on the project site, it is possible that burrowing owls could occupy the prior to the start of construction activities as burrowing owls have been found on nearby properties. As such, a mitigation measure has been added for protocol surveys and buffer zones (in the event that they are present) to ensure impacts are less than significant.

**Table 3
Plant Species**

Mediterranean schismus (<i>Schismus barbatus</i>)	annual bursage (<i>Ambrosia acanthicarpa</i>)	red-stemmed filaree (<i>Erodium cicutarium</i>)
prickly lettuce (<i>Lactuca serriola</i>)	cheat grass (<i>Bromus tectorum</i>)	Russian thistle (<i>Salsola tragus</i>)
allscale (<i>Atriplex polycarpa</i>)	horehound (<i>Marrubium vulgare</i>)	California milkweed (<i>Asclepias californica</i>)
rubber rabbitbrush (<i>Ericameria nauseosa</i>)	four-wing saltbush (<i>Atriplex canescens</i>)	shortpod mustard (<i>Hirschfeldia incana</i>)
white bur-sage (<i>Ambrosia dumosa</i>)	wire lettuce (<i>Stephanomeria pauciflora</i>)	silverscale (<i>Atriplex argentea</i>)
Mojave stinkweed (<i>Cleomella obtusifolia</i>)	turkey-mullein (<i>Croton setiger</i>)	vinegar weed (<i>Trichostema lanceolatum</i>)
angled buckwheat (<i>Eriogonum angulosum</i>)	Yucca buckwheat (<i>Eriogonum plumatella</i>)	devil's lettuce (<i>Amsinckia tessellate</i>)
Bright green buckwheat (<i>Eriogonum viridescens</i>)	saltgrass (<i>Distichlis spicata</i>)	

**Table 4
Wildlife Species**

tarantula (<i>Aphoepelma</i> sp.)	black widow (<i>Latrodectus mactans</i>)	American kestrel (<i>Falco sparverius</i>)
California quail (<i>Callipepla californica</i>)	mourning dove (<i>Zenaida macroura</i>)	horned lark (<i>Eremophila alpestris</i>)
common raven (<i>Corvus corax</i>)	loggerhead shrike (<i>Lanius ludovicianus</i>)	western meadowlark (<i>Sturnella neglecta</i>)
black-tailed jackrabbit (<i>Lepus californicus</i>)	desert cottontail (<i>Sylvilagus audubonii</i>)	Merriam's kangaroo rat (<i>Dipodomys merriami</i>)

The project site contains suitable foraging habitat for raptors including loggerhead shrike (observed), red-tailed hawk, American kestrel and Swainson's hawk; however, no suitable nesting habitat is present on the project site. Because of their mobility, birds

generally move out of harm's way and would not be injured or killed during grading, construction or project operations. The CNDDDB includes several records of Swainson's hawk nests within 10 miles of the project site and two nest sites within a 5-mile radius. The Audubon Society also provided a map with locations of known Swainson's hawk nests. As there is suitable foraging habitat elsewhere within the Antelope Valley and no nesting habitat is located on the project site, impacts to Swainson's hawk are not anticipated occur. However, mitigation has been included to ensure that impacts to this species are less than significant.

While no evidence of American badger or desert kit fox were encountered during the survey of the project site, suitable habitat is available on the site. There is no protocol survey required for these species; instead mitigation measures to ensure that they are not directly impacted are typically implemented. These measures have been included. With implementation of the identified mitigation measures, impacts to biological resources would be less than significant.

2. Burrowing owl protocol surveys shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established burrowing owl protocols. If burrowing owls are identified using the project site, buffer areas where no activity occurs shall be established around the occupied burrows. A buffer of 50-meters shall be established during the non-breeding season and the buffer zone increased to 75-meters during the breeding season.
3. A Swainson's hawk survey shall be conducted on the project site prior to the start of construction/ground disturbing activities in accordance with established Swainson's hawk protocols. No construction shall occur within 0.5 miles of an active Swainson's hawk nest or within 500 feet of active nests for other raptors.
4. A nesting bird survey shall be conducted within 30 days prior to the start of construction/ground disturbing activities. If nesting birds are encountered, all work in the area shall cease until either the young birds have fledged or the appropriate permits are obtained from the California Department of Fish and Wildlife.
5. A preconstruction survey for American badger and desert kit fox shall be conducted no more than 30 days prior to the start of construction. In the event that potential dens are observed, the following buffer distances shall be established prior to construction activities:
 - Desert kit fox or American badger potential den: 30 feet
 - Desert kit fox active den: 100 feet
 - Desert kit fox natal den: 500 feet

If avoidance of potential dens is not possible, the following measures shall be enacted:

- If the qualified biologist determines that potential dens are inactive, the biologist shall excavate these dens by hand with a shovel to prevent foxes from re-using them during construction.
 - If the qualified biologist determines that potential dens may be active, an on-site passive relocation program shall be implemented. This program shall consist of excluding foxes from occupied burrows by installation of one way doors at burrow entrances, monitoring of the burrow for one week to confirm usage has been discontinued, and excavation and collapse of the burrow to prevent reoccupation. After the qualified biologist determines that badgers and foxes have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction.
- b. A jurisdictional delineation was conducted by SWCA Environmental Consultants and documented in a report entitled: Existing Conditions Jurisdictional Delineation Report for the Antelope Expansion 1B Solar Project, Los Angeles County, California and dated March 4, 2018. The report encompasses the project site along with the potential gen-tie routes.

On October 3, 4, and 17, 2017 a survey of the project site was conducted to determine the structure and composition of on-site hydrology, vegetation and soils. Water moves through much of the project site via sheet flow and produces erosional features, such as bed, banks and ordinary high water mark (OHWM). Many of the historical drainages within the project site have been removed due to agricultural practices and residences.

Two potential hydrological features had characteristics of regulated jurisdictional water features. Both of these features were located along the gen-tie routes. Table 5 provides details regarding these delineated features. The top of the bank and OHWM were mapped for each feature when applicable. None of the features has vegetation associated with riparian habitat.

Table 5
Potential Jurisdictional Features

Location	Feature No.	Type	OHWM (feet)		CDFW (acres)	RWQCB (acres)
			Width	Length		
100 th Street gen-tie	1a	Historical CDFW Feature	N/A	N/A	4.2	N/A
100 Street gen-tie	1b	Discontinuous ephemeral stream	1-3	100	0.01	0.01
Total Area Mapped					4.21	0.01

Regional Water Quality Control Board (RWQCB) jurisdiction is over the waters of the State defined by the area within the OHWM of each of the linear features delineated along the gen-tie route, which total approximately 0.01 acres. These features are relatively narrow and it may be possible to avoid impacts through project design of the pole location or directional drilling. In the event that impacts cannot be avoided, a Waste Discharge Report (WDR) permit from the Lahontan RWQCB for discharges of dredged or fill materials to waters of the State would be required.

CDFW jurisdictional streambeds and banks total approximately 4.20 acres and most of which parallel the 100th Street gen-tie option. No riparian vegetation that would have extended the jurisdictional limits beyond bank-top to bank-top bordered these features. Feature Nos. 1a and 1b were previously mapped in support of the Del Sur Solar Project LSAA No. 1600-2015-0231-R5. They have since been altered due to construction of the Del Sur Solar Project and/or natural events. If impacts from the proposed project are kept within the previously permitted disturbed areas, there would be no new impacts or the need for additional permitting. In the event that impacts cannot be avoided, a LSAA from CDFW would be required.

6. The applicant shall consult with the California Department of Fish and Wildlife to determine whether or not a Section 1602 Streambed Alteration Agreement is required prior to any work occurring within the delineated features along the potential gen-tie routes. If a Streambed Alteration Agreement is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).
 7. The applicant shall coordinate with the Lahontan Regional Water Quality Control Board to determine whether the applicant is required to obtain a Report of Waste Discharge prior to any work occurring within the delineated features along the potential gen-tie routes. If this permit is required, it shall be obtained prior to the issuance of any permits (e.g., grading, etc.).
- c. There are no federally protected wetlands on the project site as defined by Section 404 of the Clean Water Act. Therefore, no impacts would occur.
 - d. While some animal species may move across the project site, the area is highly fragmented and contains many man-made barriers. The project site is not part of an established migratory wildlife corridor. Therefore, no impacts would occur.
 - e-f. The project site is not located in an area designated under an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State Habitat Conservation Plan. Additionally, there are no local policies or ordinances protecting biological resources which are applicable to the site. Therefore, no impacts would occur.

V. CULTURAL RESOURCES

- a-d. A cultural resources survey was conducted for the proposed project by BCR Consulting LLC. This survey was documented in a report entitled "Cultural Resources Assessment,

Antelope Expansion 1B Solar Project, City of Lancaster, Los Angeles County, California” and dated October 24, 2017.

Prior to fieldwork, a records search was conducted using records from the South Central Coastal Information Center (SCCIC). This archival research reviewed the status of all recorded historic and prehistoric cultural resources, and survey and excavation reports completed within one mile of the study area; the National Register of Historic Places, the California Register, and documents and inventories published by the California Office of Historic Preservation. A total of 22 previous cultural resource studies have taken place within a mile of the project site, nine of which encompassed portions of the project site, and one cultural resource has been recorded within the project site (Bench Ranch). A total of six cultural resources, including the Bench Ranch, has been recovered within a mile of the project site. All of these resources have been historic in nature (reservoirs, ranches, farms, and the Del Sur Substation). In addition, a Sacred Lands File Search was requested from the Native American Heritage Commission for the project site with negative results.

A field survey of the project site and gen-tie corridors was conducted between October 9 and October 13, 2017 by walking pedestrian transects spaced approximately 15 meters apart. This included the block portions and the linear alignment (gen-tie) plus a 90-foot buffer where accessible. In general, the project site has been highly disturbed by former farming and ranch activities, and building, utility, and road installations and maintenance. None of the naturally occurring materials observed during the field survey exhibited evidence of the manufacture or acquisition of prehistoric stone tools or materials. Also during the survey, Bench Ranch was recorded and mapped on DPR 523 Forms. Bench Ranch is described in detail below.

Bench Ranch (P-19-190929)

The Bench Ranch is a complex of domestic and ranch-related buildings, structures, and features located on the south side of Avenue H. The main entrance features a U-shaped driveway and a sign with the name and address of the property mounted over the driveway. It is supported by plain wooden posts set into tall rubble masonry footings. The property features a house, cottage, barns, and ancillary structures (water tanks, small sheds, large animal shelters, corrals, fences, and temporary buildings). None of these buildings or structures is architecturally significant or merits historic listing based on design, materials, craftsmanship, or other aesthetic qualities.

The house is located near the northwestern boundary of the property, southwest of the driveway entrance. It is composed of several sections that intersect to form an irregular plan. Its cross-gabled roof has moderate eave overhang, exposed rafter tails, and composition shingles, with a brick chimney in its center. Cladding is a combination of horizontal wood shiplap and stucco. Windows are fitted with a combination of double hung wood sash, fixed wood frame, vertical aluminum sliders, and horizontal aluminum sliders. The primary entrance is within a shed-roof screen porch on the east elevation of the building’s main section. The north end of the elevation features two multiple-light glazed wood frame doors. Two small shed-roof additions project from the south elevation. The rear elevation features two secondary entrances -one of which is boarded

up, and an enclosed porch. There are numerous holes in the building where portions of cladding have fallen off or been removed. A front-gabled (ca. 1968) addition projects from the northwest corner of the main section of the building. It is clad in stucco, and its windows are horizontal aluminum sliders. Building materials resemble methods common during the 1920s, although aerial photos indicate that it was not in place until the late 1940s/early 1950s. The northwest wing was added between 1965 and 1970. The building does not display distinctive qualities of design, materials, or craftsmanship, and is not eligible for historic designation based on its architecture.

The connected cottage and barn is located southeast of the house. Its plan is L-shaped, and its gabled roofs feature moderate eave overhang and composition shingles. The western portion of the building consists of two front-gabled cottages joined together to form a single dwelling. Each section has an off-center, partially glazed panel door, and a tall fixed window on its north elevation. The rear elevation has two wide horizontal fixed windows, while side elevations lack fenestration. The dwelling is clad in a combination of corrugated metal and vertical groove plywood. It is joined to a barn by a covered breezeway that is enclosed on its south end. The barn features large, top-mounted sliding doors on its north and south elevations. Its upper walls are clad in board-and-batten, with poured concrete below on the north elevation. The lower portion of the south elevation is constructed of concrete masonry units. The building lacks fenestration. The current building was originally a small worker's cottage and separate barn both constructed in the late 1940s/early 1950s, but was joined with the breezeway between 1965 and 1970. It is utilitarian, and is not eligible for historic designation based on its architecture.

The Large Barn is located to the south of the other buildings. Its tall central section is topped with a barrel roof with composition shingles, with lower flanking sheds on the east and west elevations. The north elevation features a large metal roll up door with motor housing. A similar opening on the south elevation is fitted with a top-mounted wood sliding door. Each of the flanking sheds has nine openings spaced at regular intervals. Small square openings are arranged above these entryways along on the taller central section of the building. They are fitted with operable plastic louvers. The building is constructed of concrete masonry units, which are clad in composition shingle on the upper portion of the building and exposed near the ground. It was built between 1965 and 1970 to house animals, and is not eligible for historic designation based on its architecture.

One barn, one shed, and a pump house were identified in the southern block portion along with several farm implements; none of these were present in 1974, and therefore cannot be linked to a historic-era context.

Properties eligible for listing in the California Register and subject to review under CEQA are those meeting the criteria for listing in the California Register, National Register, or designation under a local ordinance. The California Register criteria are based on National Register criteria. For a property to be eligible for inclusion on the California Register, one or more of the criteria below. The California Register also requires that a resource possess integrity. This is defined as the ability for the resource to

convey its significance through seven aspects: location, setting, design, materials, workmanship, feeling, and association.

- It is associated with the events that have made a significant contribution to the broad patterns of local or regional history, or the cultural heritage of California or the U.S.;
- It is associated with the lives of persons important to local, California, or U.S. history;
- It embodies the distinctive characteristics of a type, period, region, or method of construction, represents the work of a master, possesses high artistic values; and/or
- It has yielded, or has the potential to yield, information important to the prehistory or history of the local area, California, or the nation.

The Bench Ranch is not eligible for listing under the criteria listed above. Therefore, impacts to historic resources would be less than significant.

Development of the project site would not directly or indirectly destroy a unique paleontological resource, site, or geologic feature. No human remains, including those interred outside of formal cemeteries, were discovered on the project site. No impacts would be anticipated to occur to cultural resources. However, while the San Manuel Band of Mission Indians has no concerns regarding the proposed project, they have requested specific language be included to address cultural resources in the event that previously unknown resources are identified during construction. The requested language was modified slightly to incorporate all commenting tribes. In addition to the San Manuel Band of Mission Indians, the Fernandeno Tataviam Band of Mission Indians and Morongo Band of Mission Indians contacted the City as discussed in Item 11 on pages 7 and 8. In order to address any concerns these tribes may have regarding the proposed project, the applicant is required to contact these tribes as discussed in the mitigation measure below. With incorporation of the identified mitigation measures, impacts to cultural resources would be less than significant.

8. In the event that previously unknown cultural resources are identified during construction, the following requirements shall apply:
 - i. If human remains or funerary objects are encountered during any construction activities associated with the proposed project, work within a 100-foot buffer shall cease and the County Coroner shall be contacted pursuant to State Health and Safety Code Section 7050.5.
 - ii. In the event that Native American cultural resources are discovered during any construction activities all work within a 60-foot buffer shall cease and a qualified archaeologist meeting the Secretary of the Interior standards shall be hired to assess the find. The appropriate tribes shall be contacted and provided information and invited to perform a site visit in conjunction with the archaeologist to provide Tribal input.

- iii. If significant Native American resources are discovered and avoidance cannot be ensured a Secretary of the Interior qualified archaeologist shall be retained to develop a cultural resource Treatment Plan, as well as a Discovery and Monitoring Plan. A copy of the draft document shall be provided to the appropriate tribes for review and comment. All in field investigation, assessment and/or data recovery pursuant to the Treatment Plan shall be monitored by a Tribal Monitor. Additionally, the applicant and City of Lancaster shall consult with the appropriate tribes on the disposition and treatment of any artifacts or other cultural materials encountered during the project.
9. The applicant shall in good faith contact the Fernandeno Tataviam Band of Mission Indians and Morongo Band of Mission Indians to discuss and address concerns associated with the development of the project site. A copy of any concerns and the proposed resolution/agreement shall be submitted to the City prior to the issuance of permits.

VI. GEOLOGY AND SOILS

- a. The project site is not identified as being in or in proximity to a fault rupture zone (LMEA Figure 2-5). According to the Seismic Hazard Evaluation of the Lancaster East and West Quadrangles, the project site may be subject to intense seismic shaking (LMEA pg. 2-16). However, the proposed project would be constructed in accordance with the seismic requirements of the Uniform Building Code (UBC) as adopted by the City, which would render any potential impacts to a less than significant level. The project site is generally level and is not subject to landslides (SSHZ).

Liquefaction is a phenomenon in which the strength and stiffness of a soil is reduced by earthquake shaking or other events. This phenomenon occurs in saturated soils that undergo intense seismic shaking typically associated with an earthquake. There are three specific conditions that need to be in place for liquefaction to occur: loose granular soils, shallow groundwater (usually less than 50 feet below the ground surface) and intense seismic shaking. In February 2005, the California Geologic Survey updated the Seismic Hazard Zones Maps for Lancaster (SSHZ). Based on these maps, the project site is not in an area at risk for liquefaction. No impacts would occur.

- b. Portions of the project site are rated as having a “moderate” risk for soil erosion (USDA SCS Maps) when cultivated or cleared of vegetation. The proposed project consists of the construction and operation of a 25 MW photovoltaic solar electric generating facility and associated infrastructure (e.g., inverters, transformers, battery storage, etc.). The existing buildings on the project site would be removed and those areas compacted/graded. Minimal grading would be done on the remainder of the project site in order to construct the proposed project. Perimeter and access roads will be graded to comply with Fire Department standards and the pads for the inverters, transformers, and battery storage will be graded. These pads will be paved to provide the foundation for the equipment. The remainder of the project site, where the PV panels will be installed, will not be graded. However, there remains a potential for water and wind erosion during construction. The

proposed project would be required, under the provisions of the Lancaster Municipal Code (LMC) Chapter 8.16, to adequately wet or seal the soil to prevent wind erosion. Additionally, the following mitigation measures shall be required to control dust/wind erosion.

10. The applicant shall submit a Dust Control Plan to the Antelope Valley Air Quality Management District (AVAQMD) for review and approval in accordance with Rule 403, Fugitive Dust, prior to the issuance of any grading and/or construction permits. This plan shall demonstrate adequate water or dust suppressant application equipment to mitigate all disturbed areas.
 11. When water is used for dust control, water shall occur three times per day and shall be increased to four times per day when there is evidence of visible wind driven fugitive dust.
 12. Signage shall be displayed on the project site in accordance with AVAQMD Rule 403 (Appendix A).
 13. All disturbed surfaces shall meet the definition of a stabilized surface upon completion of project construction.
 14. The applicant shall submit an Active Operation Dust Control Plan for Renewable Energy Projects to the AVAQMD upon project completion. This plan shall be updated and renewed annually and must be in place for the life of the project.
- c. Subsidence is the sinking of the soil caused by the extraction of water, petroleum, etc. Subsidence can result in geologic hazards known as fissures. Fissures are typically associated with faults of groundwater withdrawal, which result in the cracking of the ground surface. According to Figure 2-3 of the City of Lancaster's Master Environmental Assessment, the closest sinkholes and fissures to the project site are located at Avenue I/55th Street West and Avenue G/50th Street West. These are approximately 2 miles east of the project site at the closest point. The project site is not known to be within an area subject to fissuring, sinkholes, or subsidence (LMEA Figure 2-3) or any other form of soil instability. For a discussion of potential impacts regarding liquefaction, please refer to Item VI.a. Therefore, no impacts would occur.
- d. The soil on the project site is characterized by a low shrink/swell potential (LMEA Figure 2-3), which is not an expansive soil as defined by Table 18-1-B of the Uniform Building Code. A soils report on the soils within the project site shall be submitted to the City by the project developer prior to grading of the property and the recommendations of the report shall be incorporated into the development of the property. Therefore, impacts would be less than significant.
- e. No sewer or septic connections would occur as part of the proposed project. The proposed project is photovoltaic solar electric generating facility and there are no structures on the project site that would be occupied. Most activities with respect to operation of the proposed project would be conducted remotely. A portable restroom facility would be provided on-site during all maintenance activities. Therefore, no impacts would occur.

VII. GREENHOUSE GAS EMISSIONS

- a-b. The proposed project involves the construction and operation of photovoltaic solar electric generating facility. This facility would ultimately connect into the SCE Antelope Substation. As discussed in Item III.b, the proposed project would generate air emissions during construction activities. Demolition and construction activities would generate approximately greenhouse gas emissions; however, these emissions would be well below the greenhouse gas emissions thresholds of 548,000 pounds per day or 100,000 tons per year established by the AVAQMD¹ and would not prevent the State from reaching its greenhouse gas reduction targets. Operation of the proposed project would generate minimal amounts of emissions, primarily from vehicles when site maintenance is required. The actual photovoltaic facilities (excluded maintenance related activities) would not generate emissions during operation and would therefore help to reduce the amount of greenhouse gases emitted during the production of electricity. It is estimated by the applicant, that the operation of the facility would offset approximately 50,604 tons of carbon dioxide equivalent annually that would have been produced from the creation of electricity from fossil fuels. Therefore, impacts would be less than significant.

The proposed project would be in compliance with the greenhouse gas goals and policies identified in the City of Lancaster's General Plan (pgs. 2-19 to 2-24) and with the City's Climate Action Plan. Specifically, the City's Climate Action Plan identifies the need to increase the amount of utility scale solar development and utility scale battery storage to help achieve a reduction in greenhouse gas emissions. Therefore, impacts with respect to conflicts with an agency's plan, policies, or regulations would be less than significant.

VIII. HAZARDS AND HAZARDOUS MATERIALS

- a-b. The proposed project consists of the construction and operation of a 25 MW solar electric generating facility on approximately 135 gross acres. The proposed project would use minimal amounts of hazardous materials during construction activities. During operation, the only hazardous materials that would be utilized are dielectric fluid and mineral oil. Use of all materials would be in accordance with all applicable rules and regulations. The proposed project is not located along a hazardous materials/waste transportation corridor (LMEA Figure 9.1-4). The former Bench Ranch is located on a portion of the project site and contains several buildings which were constructed prior to asbestos and lead-based paint being banned. These buildings and structures would be demolished as part of the development of the proposed project. Due to the age of these structures, it is possible that they contain asbestos and lead-based paint. Prior to the demolition of the structures, the structures shall be tested for both asbestos and lead-based paint and if present abated in accordance with existing rules and regulations. These procedures are identified in the following mitigation measures. With compliance of the identified mitigation measures, impacts from hazardous materials would be less than significant.

15. Prior to any demolition activities associated with the existing residential structures, an asbestos survey shall be conducted to determine the presence or absence of asbestos

¹ Antelope Valley Air Quality Management District, *California Environmental Quality Act (CEQA) and Federal Conformity Guidelines*, August 2016.

and the results shall be submitted to the City. If asbestos containing materials are located, abatement of the asbestos shall be completed prior to demolition activities. Asbestos removal shall be performed by a State certified asbestos containment contractor in accordance with AVAQMD Rule 1403.

16. Prior to any demolition activities associated with the existing residential structures, a lead-based paint survey shall be conducted to determine the presence or absence of lead-based paint and the results shall be submitted to the City. If lead-based paint is located, abatement of the paint shall be completed prior to any demolition activities in accordance with California Code of Regulations Title 8, Section 1532.1.
- c. The project site is not located within a quarter mile of an existing or proposed school. The closest school to the project site is Del Sur Elementary is located on the northwest corner of 90th Street West and Avenue H, approximately 1.5 miles west of the project site. Additionally, the proposed project would not generate hazardous emissions. Therefore, impacts would be less than significant.
- d. A Phase I Environmental Site Assessment was prepared for the project site by Terracon Consultants, Inc. The results of the study are documented in a report entitled "Phase I Environmental Site Assessment, Antelope Expansion 1B Solar, Southwest of West Avenue H and 70th Street West, Lancaster, Los Angeles County, California" and dated March 5, 2018.

A site visit was conducted on the project site on October 13, 2017 to determine the presence of any recognized environmental concerns. The project site consists of primarily fallow agricultural land improved with two residences, barn, open storage structure, and ancillary structures associated with the former Bench Ranch facility. Two water utility buildings are also located on the northern portion of this property. The southern portion of the project site, west of 70th Street West, contains a barn and a chain-link fenced area. The remainder of the project site is vacant. During the site visit, the following items were noted. No staining and/or releases were noted on the project site.

Aboveground Storage Tanks (ASTs)

- A 5,000-gallon AST utilized for water storage.
- A 300-gallon AST within the chain-link fenced area with unknown contents.
- A 10,000-gallon silo which may be utilized for storage of hay.

Transformers/Capacitors

Two pad-mounted and one pole-mounted transformers, owned and serviced by Southern California Edison (SCE), were observed. However, information with regard to PCB content of the transformer fluids was not observed. Some transformers contain mineral oil which may contain PCBs. SCE maintains responsibility for the transformers, and if the transformers were "PCB contaminated," SCE is not required to replace the transformer fluids until a release is identified. However, evidence of

current or prior release was not observed in the vicinity of the electrical equipment during the site reconnaissance.

Trash/Debris/Waste Materials

One solid waste disposal dumpster, serviced by Waste Management.

Construction/Demolition Debris and/or Dumped Fill Dirt

- Approximately 40 cubic yards of concrete and brick and 2 cubic yards of wood was noted. The materials did not appear to be hazardous in nature.
- Approximately 19 cubic yards of dumped fill dirt was noted. Based upon visual surface observations, materials did not appear within the dumped dirt and it appears to be associated with former on-site agricultural activities.

Wells

A water well is located on the northern portion of the property and appears to be associated with the 5,000-gallon water AST. Additionally, the site is equipped with two water wells on the west and central-eastern portion of the site. These areas were fenced, locked and inaccessible at the time of the site visit. The water wells appear to be installed for agricultural purposes.

Cisterns

A total of six cisterns were observed on the project site which appear to be associated with former agricultural purposes.

In order to address concerns identified in the Phase I Report, the following mitigation measures are required.

17. In the event that the water wells on the project site will not be utilized with the proposed project, these wells shall be closed in accordance with all existing rules and regulations.
18. All debris on the project site shall be removed and disposed of in accordance with all existing rules and regulations.

In addition to the survey of the project site, a database records search was conducted for the project site, gen-tie routes and the immediately surrounding properties by EDR. The project site is not identified within any of the regulatory databases. Sites within the required search distances were identified within these databases; however, it was determined that the individual listings do not present an environmental concern based upon regulatory status, apparent topographic gradient, and/or distance from the site. The following summarizes each of the listings.

9023 West Avenue H

This site is listed in the Department of Toxic Substances Control - EnviroStor database (ENVIROSTOR), California State Water Resources Control Board - Historical Hazardous Substances Storage Information Database (HHSS), DTSC - Historical Hazardous Waste Manifest Data (HIST MANIFEST), LA HMS, Hazardous Waste Manifest Data (HAZNET) and School Property Evaluation Program Sites (SCH) regulatory databases. Based on a review of the HHSS listing, this facility is listed with a 4,000-gallon motor vehicle fuel UST, installed in 1955 and has since been removed. Based on a review of the HIST MANIFEST and HAZNET listings, waste streams generated at this facility included asbestos containing waste and household waste, between 1990 and 1998. The asbestos waste is likely associated with renovations of the school facility. Based on a review of the ENVIROSTOR and SCH listings, this facility is listed with a Cleanup case with the DTSC for Lead and the status is listed as "No Action Required as of July 3, 2001." Potential contaminants were not found. Based on waste streams identified, removed UST equipment status, regulatory closed cleanup case with the DTSC and proposed gen-tie line location (over-head), the Del Sur School does not represent a REC to the site.

8539 West Avenue H

This site is listed in the Historical Hazardous HHSS, HIST MANIFEST, LA HMS, and HAZNET regulatory databases. Based on a review of the HHSS listing, this facility is listed with one 1,000-gallon motor vehicle fuel UST. Based on a review of the LA HMS listing, this facility is listed with a UST file with the status of "equipment removed." Based on a review of the HIST MANIFEST and HAZNET listings, waste streams generated included waste oil and mixed oil in 1990. Based on the facility's cross-gradient position relative to the site, absence of regulatory LUST listing, presumed depth of groundwater, and removed status of the UST equipment, this site does not represent a REC to the site.

Avenue H & 100th Street West

This site is listed in the HAZNET and HIST MANIFEST regulatory database. Based on a review of the listings, waste streams generated at this facility included unspecified oil-containing waste, waste oil, mixed oil, and tank bottom waste between 1988 and 1990. Additional information was not provided. Based on the identified waste streams, proposed over-head gen-tie lines and the presumed depth of groundwater in the site vicinity, the listing does not represent a REC to the site.

8202 West Avenue H

This site is listed in the HAZNET and LA HMS regulatory databases. Information was not provided in the HAZNET listing. Based on a review of the LA HMS listing, this facility was equipped with a UST, which is listed with status as "equipment removed." Based on the facility's cross-gradient position relative to the site, absence of regulatory

LUST listing, presumed depth of groundwater in the site vicinity and removed status of the UST equipment, these listings do not represent a REC to the site.

9200 West Avenue H

This site is listed in the HIST Manifest, HAZNET, and LA HMS regulatory databases. Based on a review of these databases, waste streams generated included organic liquids with halogens in 1992. Based on the facility's cross-gradient position relative to the site, absence of regulatory LUST listing, proposed over-head gen-tie line and presumed depths of groundwater, this listing does not represent a REC to the site.

Avenue H & 90th Street West

Southern California Edison/Del Sur Substation and LA County Sanitation Districts, located approximately 50 feet to the south and in a topographic cross-gradient position relative to the proposed gen-tie line of the site, is listed in the HAZNET regulatory database. Based on a review of the listings, waste streams included household waste and polychlorinated biphenyls and materials. Additional information was not provided. Based on the identified waste streams and facility's topographic cross-gradient position relative to the site and proposed over-head gen-tie line, this listing does not represent a REC to the site.

46204 97th Street West

This facility is located approximately 65 feet to the south in a topographic cross-gradient position relative to the site and is listed in the LA HMS regulatory database. Based on a review of the listing, this facility was permitted with a UST, which is listed as "equipment removed" Additional information was researched on-line at the LACPW-EPD database, and this address is listed with two files (File No. 015687-020097 and 015687-047234). The status of the UST file is listed as "removed file" and there is an open file with no permit. Based on the facility's cross-gradient position relative to the site, absence of regulatory LUST listing, presumed depth of groundwater in the site vicinity, proposed over-head gen-tie line and removed status of the UST equipment, this listing does not represent a REC to the site.

With implementation of the identified mitigation measure, impacts would be less than significant.

- e-f. The project site is not located within an airport land use plan or within two miles of a public airport, public use airport, or private airstrip. The closest airport is the General William Fox Airfield, which is located approximately 2 miles southeast of the eastern project site boundary. Therefore, the proposed project would not result in a safety hazard for people working in the project area and no impacts would occur.
- g. Access to the project site would be taken from Avenue H, Avenue H-8, and 70th Street West. Both Avenue H and 70th Street West are paved roadways and Avenue H-8 is an unpaved roadway. All access gates will be set back approximately 50 feet from the edge

of the property line to allow vehicles to pull off of the roadway while the gate is opening and driveways off of paved roadways will be paved. Avenue H has been designated as evacuation route in the vicinity of the project site. However, the traffic generated by the proposed project is not sufficient to cause impacts at any of the area intersections. Therefore, the proposed project would not impact or physically block any identified evacuation routes and would not interfere with any adopted emergency response plan. No impacts are anticipated.

- h. The property surrounding the project site is predominantly undeveloped with some single family residences immediately adjacent to and in the vicinity of the project site. Utility scale solar facilities are also located to the west, southwest, and northwest of the project site. It is possible that the undeveloped lands could be subject to a grass fire. However, the project site is located within the boundaries of Fire Station 112, located at 8812 West Avenue E-8 and would also be served by Fire Station 130, located at 44558 40th Street West, and Station 84, located at 5030 Avenue L-14, as needed. Therefore, impacts from wildland fires would be less than significant.

IX. HYDROLOGY AND WATER QUALITY

- a. The project site is not located in an area with an open body of water or in an aquifer recharge area. The proposed project would be required to comply with all applicable provisions of the National Pollutant Discharge Elimination System (NPDES) program. The NPDES program establishes a comprehensive storm water quality program to manage urban storm water and minimize pollution of the environment to the maximum extent practicable. The reduction of pollutants in urban storm water discharge through the use of structural and nonstructural Best Management Practices (BMPs) is one of the primary objectives of the water quality regulations. BMPs that are typically used to management runoff water quality include controlling roadway and parking lot contaminants by installing oil and grease separators at storm drain inlets, cleaning parking lots on a regular basis, incorporating peak-flow reduction and infiltration features (grass swales, infiltration trenches and grass filter strips) into landscaping and implementing educational programs. The proposed project would incorporate appropriate BMPs as applicable, as determined by the City of Lancaster Development Services Department. Therefore, impacts would be less than significant.

The proposed project involves the construction and operation of a photovoltaic solar electric generating facility. This facility would not utilize large quantities of hazardous materials and would not be tied into the public sewer system or septic system. As such, the proposed project does not have the potential to introduce industrial discharge into a public water system and potentially violate water quality standards or waste discharge requirements. Therefore, impacts would be less than significant.

- b. The proposed project would truck water to the project site or utilize existing ground water wells located on the project site for the occasional washing of the PV panels. Washing would occur approximately twice a year. No employees would be located on the project site. During site maintenance employees would bring drinking water with them and portable restroom facilities would be provided on-site. However, the project site would

not be tied to a public water, sewer or septic system. Additionally, as indicated in IX.a, the proposed project would not impact any groundwater recharge areas. Therefore, the proposed project would not deplete groundwater supplies or interfere with groundwater recharge and impacts would be less than significant.

- c-e. Development of the proposed project would increase the amount of surface runoff as a result of impervious surfaces associated with some portions of the facilities (e.g., inverters, transformers, battery storage, etc.). The project site would be primarily developed with PV panels mounted on tracking systems on steel support structures. The only portions of the project site that would be graded would be for the roadways to ensure that they meet Fire Department standards and those portions of the site that would be paved in order to support structures. The remainder of the project site would be left in a pervious condition. Additionally, the proposed project would be designed to accept current flows entering the property and to handle any additional incremental runoff from the project sites. Therefore, impacts from drainage and runoff would be less than significant.
- f. The proposed project does not involve the construction of any housing or occupied structures. Therefore, no impacts would occur.
- g. The project site is designated as both Flood Zone X and Flood Zone X-Shaded per the Flood Insurance Rate Map (FIRM) Panel No. 060672 (2008). Flood Zone X is outside both the 100-year and 500-year flood zones and Flood Zone X-Shaded is located outside of the 100-year flood zone. Therefore, no impacts would occur.
- h. The project site does not contain and are not downstream from a dam or levee. Therefore, no impacts would occur from flooding as a result of the failure of a dam or levee.
- i. The project site is not located within a coastal zone. Therefore, tsunamis are not a potential hazard. The project site is relatively flat and does not contain any enclosed bodies of water and are not located in close proximity to any other large bodies of water. Therefore, the proposed project would not be subject to inundation by seiches or mudflows. No impacts would occur.

X. LAND USE AND PLANNING

- a. The proposed project is not of the scale or nature that could physically divide an established community. The proposed project consists of the construction and operation of a 25 MW photovoltaic solar electric generating facility. The area surrounding the project site is predominantly vacant with some single family residences located immediately adjacent to the project site as described in the surrounding land uses section on pages 6. Additionally, other single family residences are scattered throughout the general vicinity of the project site and the community of Antelope Acres is located north of Avenue G. No new roadways would be constructed although Avenue H-8 would be graded to the site entrance of the parcel located east of 70th Street West in order to comply with Fire Department standards. The proposed project would not block a public street, trail or other access route or result in a physical barrier that would divide the community. Therefore, no impacts would occur.

- b. Upon approval of the General Plan Amendment and Zone Change, the proposed project is consistent with the City's General Plan and must be in conformance with the Lancaster Municipal Code. The proposed project will be in compliance with the City-adopted UBC (Item VI.a) and erosion-control requirements (Item VI.b). Therefore, no impacts would occur.
- c. As noted under Item IV.e-f, the project site is not subject to and would not conflict with a habitat conservation plan or natural communities conservation plan. Therefore, no impacts would occur.

XI. MINERAL RESOURCES

- a-b. The project site does not contain any current mining or recovery operations for mineral resources and no such activities have occurred on the project sites in the past. According to the LMEA (Figure 2-4 and page 2-8), the project site is designated as Mineral Reserve Zone 3 (contains potential but presently unproven resources). However, it is considered unlikely that the Lancaster area has large, valuable mineral and aggregate deposits. Therefore, no impacts to mineral resources would occur.

XII. NOISE

- a, b, d. The City's General Plan (Table 3-1) establishes an outdoor maximum CNEL of 65 dBA for rural and residential uses. No noise measurements are available for the roadways immediately adjacent to the project site. The current noise level on 70th Street West from Avenue H to Avenue I is 52.7 dBA. The current noise levels for Avenue H closest to the project site is between 70th Street West and 60th Street West and is approximately 50.4 dBA (LMEA Table 8-11). The loudest phases of construction would involve earth moving equipment and vibratory pile driving. The total construction time for the project is estimated to be 6 to 8 months. The loudest phases of construction would occur over a portion of this period. Construction activities associated with earth-moving equipment and other construction machinery would temporarily increase noise levels for adjacent land uses. Noise levels would fluctuate depending upon construction activity, equipment type and duration of use, and the distance between noise source and receiver.

The closest noise sensitive receptors are the residences immediately adjacent to the project site as described in the surrounding land uses section on page 6. Noise levels at these receptors may reach between 75 dBA and 85 dBA depending upon the location of the work and the type of equipment being utilized. These noise levels could cause interference with conversations or other normal daytime activities. However, with implementation of the mitigation measures identified below, these impacts would be reduced to a less than significant level.

- 19. Construction operations shall not occur between 8 p.m. and 7 a.m. on weekdays or Saturday or at any time on Sunday. The hours of any construction-related activities shall be restricted to periods and days permitted by local ordinance.
- 20. The on-site construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be

established prior to construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor.

21. Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible.
 22. Material stockpiles and mobile equipment staging, parking and maintenance areas shall be located as far away as practicable from noise-sensitive receptors.
 23. The use of noise producing signals, including horns, whistles, alarms, and bells shall be for safety warning purposes only.
 24. No project-related public address of music system shall be audible at any adjacent receptor.
 25. All noise producing construction equipment and vehicles using internal combustion engines shall be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory specifications. Mobile or fixed "package" equipment (e.g., arc-welders, air compressors, etc.) shall be equipped with shrouds and noise control features that are readily available for the type of equipment.
- c. Operation of the proposed project would generate very minimal noise levels. The photovoltaic solar electric generating facilities would generate electricity with PV panels mounted on fixed or slow moving, silently rotating trackers. Previous noise readings were taken at the Western Antelope Blue Sky Ranch "A" project on March 9, 2015 to determine the noise levels associated with the inverters/transformers and tracking systems. At 20 feet from the noise source, the noise levels were 65.9 dBA.² Based on this noise reading, the trackers/transformers/inverters would not be audible at the residences near the boundary of the project site. Additionally, a handful of employees would be necessary to run the proposed project with most of the work being done remotely. Periodic maintenance would primarily consist of cleaning of the PV panels, as necessary, and vegetation/landscaping maintenance. Because of the passive nature of the on-site operations, the likelihood of noise disturbance at the neighboring receptors is minimal. Therefore, noise impacts would be less than significant.
- e-f. The project site is not in proximity to an airport or frequent overflight area and would not experience noise from these sources (also see Item VIII.e-f.). Therefore, no impacts would occur.

XIII. POPULATION AND HOUSING

- a. The proposed project consists of the construction and operation of a 25 MW photovoltaic solar electric generating facility which would not directly or indirectly induce substantial population growth. The construction of the proposed projects is anticipated to employ

² Final Environmental Impact Report for the Antelope North Solar Project, SCH #2017061079, Conditional Use Permit (No. 17-10), Aspen Environmental Group, January 2018.

approximately a total of 105 individuals, most of who would come from the local area. Operation of the proposed project would occur remotely with occasional maintenance needs being conducted by a handful of people. These facilities would help achieve State mandates which require 33% of electricity to be derived from renewable sources by 2020 and 50% by 2030. Therefore, no impacts would occur.

- b-c. A portion of the project site is currently developed as the former Bench Ranch and contains a couple of residential structures and other buildings associated with the previous agricultural use. These structures are unoccupied and not likely habitable. No housing or people would be displaced necessitating the construction of replacement housing elsewhere. Therefore, no impacts would occur.

XIV. PUBLIC SERVICES

The proposed project would increase the need for fire and police services; however, the project site is within the current service area of both these agencies and the additional time and cost to service the site is minimal. The proposed project would not induce substantial population growth and therefore, would not substantially increase the demand on parks, schools, or other public facilities. Impacts would be less than significant.

XV. RECREATION

- a-b. The proposed project involves the construction and operation of a 25 MW photovoltaic solar generating facility. As discussed in Item XIV.a, it is anticipated that a maximum of 105 construction workers would be present on the project site at one time. These workers are expected to come from the local area and would not create an additional demand on recreational facilities. Once the proposed project is operational, most of the operations would be handled remotely and would not generate employees who would potentially be utilizing recreational facilities. Therefore, no impacts to recreational facilities would occur and no construction of new facilities would be necessary.

XVI. TRANSPORTATION/TRAFFIC

- a. The proposed project would generate construction traffic in the form of worker vehicles and delivery trucks. These trips would only occur during construction and would most likely occur at off-peak hours of the day. Adequate access to the project site exists from Avenue H and 70th Street West to handle the trips that construction would generate. Most of the activities associated with operation of the proposed project would be handled remotely. Occasional maintenance activities would be required and it is anticipated that at most approximately 1-2 trips per week would occur. This number of trips would not impact the surrounding street system. Therefore, impacts would be less than significant.
- b. There are no county congestion management agency designated roads or highways in the vicinity of the project site. No impacts would occur.
- c. The project site does not contain any aviation related uses and the proposed project would not include the development of any aviation related uses. The proposed project is a photovoltaic solar electric generating facility and the panels are designed to absorb light,

not reflect it. Therefore, the proposed project would not interfere with small aircraft flying overhead and would not have an impact on air traffic patterns.

- d. No roadway improvements are required as part of the proposed project. Any driveways that take access from a paved roadway would be required to be paved. No hazardous conditions would be created and no impacts would occur.
- e. The proposed project would have adequate emergency access from Avenue H, 70th Street West, and Avenue H-8. Interior circulation would be provided in accordance with the requirements of the Los Angeles County Fire Department; therefore, no impacts would occur.
- f. The proposed project does not conflict with or impede any of the General Plan policies or specific actions related to alternative modes of transportation (Lancaster General Plan pgs. 5-18 to 5-24). Therefore, no impacts would occur.

XVII. TRIBAL CULTURAL RESOURCES

- a-b. No tribal cultural resources have been identified either through the sacred lands file search conducted by the Native American Heritage Commission or by any of the Native American Tribes with cultural affiliations to the area. Mitigation measures have been identified under the Cultural Resources Section which outline the process to be followed in the event that unknown resources are encountered during construction and to address any tribal concerns that may be raised. As such, impacts would be less than significant.

XVIII. UTILITIES AND SERVICE SYSTEMS

- a. The proposed project would not generate any wastewater that would be disposed of in a sewer or septic system. Some wastewater would be generated from the occasional washing of the PV panels. This would be disposed of on-site in accordance with any requirements from the Regional Water Quality Control Board. As no hazardous materials would be utilized in conjunction with the PV panels, the wastewater is not expected to exceed any established standards. Therefore, impacts would be less than significant.
- b. No wastewater would be generated by the proposed project. The project site would not be connected to the sanitary sewer system and there would be no septic system on-site. Therefore, no construction of new water or wastewater facilities would be required and no impacts would occur.
- c. See Section Items IX.c and IX.d.
- d. The proposed project has minimal needs for water as there will be no employees routinely on the project site and no structures which would be occupied by individuals are proposed. The only water needs the proposed project has would be for the occasional washing of the solar panels and for maintenance of the landscaping until it is established. It is estimated that the operation of the proposed project would require no more than 1.2-acre feet of water per year. This water will either come from existing water wells (on- and off-site) that the applicant has rights to or will be trucked into the project site. If the water

is trucked to the project site, the most likely source will be recycled water. Therefore, impacts would be less than significant.

- e. See Section Item XVIII.b.
- f-g. The proposed project would generate solid waste during construction which would contribute to an overall impact on landfill services (GPEIR pgs. 5.13-25 to 5.13-28 and 5.13-31); although the project's contribution would be minimal. During operation of the proposed project, no solid waste would be generated for disposal in the landfill. All materials generated by the repair or replacement of equipment would be recycled by appropriate facilities. Therefore, no trash collection services would be necessary and impacts would be less than significant.

XIX. MANDATORY FINDS OF SIGNIFICANCE

- a-c. Other solar projects have been approved, constructed or are currently under construction in the City of Lancaster and in the unincorporated areas of Los Angeles County. This has resulted in a large number of acres being converted to solar generating facilities. Most of the impacts generated by these projects are site specific and generally do not influence the impacts on another site. Additionally, all projects undergo environmental and have required mitigation measures to reduce impacts when warranted. Three solar projects are currently under construction to the west of the project site with construction anticipated to be concluded this year. Two other solar projects are currently going through the entitlement process: a 100 MW solar facility generally bounded by Avenue H, Avenue G, 90th Street West and 75th Street West and an 80 MW solar facility generally bounded by Avenue J-4, Avenue K-8, 75th Street West, and 85th Street West. These projects may be under construction at the same time as the proposed project; however, only the proposed 100 MW facility is likely to combine with proposed project with respect to cumulative impacts due to its close proximity to the project site. The other project is approximately 2-2.5 miles south and is not likely to contribute to cumulative impacts with respect to most resource areas.

Cumulative impacts are the change in the environment which results from the incremental impact of a project when added to other closely related past, present, and reasonably foreseeable probable future projects. The proposed project would not create any impacts with respect to forestry resources, land use planning, mineral resources, recreation, and tribal cultural resources. Therefore, the proposed project would not contribute to a cumulative impact for these resources.

Construction of solar projects throughout the Antelope Valley would lead to a cumulative loss of habitat for a variety of plants and animals. The project site contains suitable habitat for burrowing owls, foraging habitat for Swainson's hawk, and habitat for nesting birds, badgers and kit foxes. Mitigation measures have been identified to reduce these impacts to a less than significant level. Additionally, linear drainage features were identified along the proposed gen-tie route. However, it is likely that impacts to these features can be avoided, depending upon placement of the utility poles or through the type of construction utilized to run the line. Therefore, no cumulative impact to drainages would occur. As such, the proposed project's contribution to cumulative impacts with

respect to biological resources would not be cumulatively considerable. Additionally, the City requires the payment of a biological impact fee to address the cumulative loss of biological resources within the Antelope Valley. This fee is put in to a separate account which is utilized to acquire conservation habitat.

Mitigation measures are required to reduce dust and noise impacts to the nearby sensitive receptors. The other solar developments in the area that are currently under construction are anticipated to be operational prior to the proposed start of construction for this project and as such impacts such as dust and noise would not combine to create cumulative impacts. Additionally, the sensitive receptors located adjacent to the proposed project and those located adjacent to the 100 MW solar facility are not the same and it is not likely that potential noise impacts from both projects are not likely to combined to affect the same receptor. This is due to the distance between the two project sites: the eastern boundary of the 100 MW facility and western boundary of the proposed project are approximately a half mile apart. Mitigation measures associated with cultural resources are statements of regulatory requirements and a requirement for the developer to work with tribes to address any issues they may have. These impacts and mitigation measures are site specific and would not combine to create a cumulative impact. All other mitigation measures that were identified are a statement of regulatory requirements. Therefore, any potential cumulative impacts are less than significant and would not be cumulatively considerable.

List of Referenced Documents and Available Locations*:

BRR1:	Biological Resources Report for the Antelope Expansion 1B Solar Project, Los Angeles County, California, SWCA Environmental Consultants, March 4, 2018	DSD
BRR2:	Existing Conditions Jurisdictional Delineation Report for the Antelope Expansion 1B Solar Project, Los Angeles County, California, SWCA Environmental Consultants, March 4, 2018	DSD
CRS:	Cultural Resources Assessment, Antelope Expansion 1B Solar Project, City of Lancaster, Los Angeles County, California, BRC Consulting, LLC, October 24, 2017	DSD
ESA:	Phase I Environmental Site Assessment, Antelope Expansion 1B Solar, Southwest of West Avenue H and 70 th Street West, Lancaster, Los Angeles County, California, Terracon Consultants, Inc., March 5, 2018	DSD
FIRM:	Flood Insurance Rate Map, www.fema.gov	
GPEIR:	Lancaster General Plan Environmental Impact Report	DSD
LGP:	Lancaster General Plan	DSD
LMC:	Lancaster Municipal Code	DSD
LMEA:	Lancaster Master Environmental Assessment	DSD
SSHZ:	State Seismic Hazard Zone Maps	DSD
USGS:	United States Geological Survey Maps	DSD
USDA SCS:	United States Department of Agriculture Soil Conservation Service Maps	DSD

* DSD: Development Services Department
Lancaster City Hall
44933 Fern Avenue
Lancaster, California 93534

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, CALIFORNIA, AMENDING THE CITY ZONING PLAN FOR APPROXIMATELY 20 ACRES OF A 135-ACRE SITE GENERALLY BOUNDED BY AVENUE H, AVENUE H-12, 75TH STREET WEST AND 67TH STREET WEST (ASSESSOR PARCEL NUMBER 3268-025-900), KNOWN AS ZONE CHANGE NO. 18-04

WHEREAS, pursuant to Section 17.24.060 of the Lancaster Municipal Code, an application has been filed by Antelope Expansion 1B, LLC (dba sPower) (“Applicant”), to change the zoning designation on approximately 20 acres of a 135-acre site generally bounded by Avenue H, Avenue H-12, 75th Street West, and 67th Street West (Assessor’s Parcel Number 3268-025-900) from PK (Park) to RR-2.5 (Rural Residential, minimum lot size of 2.5 acres); and

WHEREAS, a notice of intention to consider a zone change of the subject property was given, as required by Section 17.24.110 of the Lancaster Municipal Code, and Sections 65854 and 65905 of the Government Code; and

WHEREAS, staff has performed the necessary investigations, prepared a written report, and recommended that the zone change request be approved; and

WHEREAS, public notice was provided as required by law, and a public hearing was held on September 17, 2018, at which the Planning Commission (a) certified that it had reviewed and considered the information in the Mitigated Negative Declaration prepared for the proposed project in compliance with the California Environmental Quality Act (including its implementing regulations) prior to taking action, and (b) found the Initial Study determined that the proposed project could have a significant effect on the environment; however, there will not be a significant effect in this case with the implementation of the mitigation measures as detailed therein; and

WHEREAS, the City Council desires to approve the Applicant’s request as set forth herein.

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

Section 1. The foregoing Recitals are true, correct and a substantive part of this Ordinance.

Section 2. The City Council hereby makes the following findings:

- a. The proposed zone change from R PK to RR-2.5 is consistent with the General Plan land use designation of NU (Non-Urban Residential) proposed for the subject property.

- b. Modified conditions warrant a revision in the zoning plan, as the proposed project site is compatible with the existing land uses within the surrounding properties. The property surrounding the parcel is either zoned RR-2.5 or is located in the County and zoned A-2-2 (Heavy Agriculture, minimum lot size 2 acres) or A-2-2 (Heavy Agriculture, minimum lot size 2 acres).
- c. A need for the proposed zoning classification of RR-2.5 exists in order to provide for a suitable site for development as a utility scale solar facility.
- d. The particular property under consideration is a proper location for the RR-2.5 zoning classification, because it is compatible with the surrounding property, which is zoned RR-2.5 and A-2-2. Single-family homes and vacant land surround the proposed subject site.

Section 3. The subject property is reclassified from PK to RR-2.5.

Section 4. All environmental findings, and the Mitigated Negative Declaration, as contained in Attachment "B" of the Planning Commission Resolution No. 18-29, are hereby approved, adopted and incorporated in this Ordinance.

Section 5. Any ordinance previously adopted by the City Council shall be and hereby is repealed if and to the extent inconsistent with this Ordinance, provided, however, that each such ordinance shall otherwise remain in full force and effect.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 7. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published and posted pursuant to the provisions of law in that regard, and this Ordinance shall take effect 30 days after adoption.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, MMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

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

CERTIFICATION OF ORDINANCE
CITY COUNCIL

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

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

(seal)

STAFF REPORT

City of Lancaster

NB 1
10/23/18
MVB

Date: October 23, 2018

To: Mayor Parris and City Council Members

From: Jason Caudle, Deputy City Manager
Patti Garibay, Energy Manager

Subject: **Facilities Lease Agreement with Landmark Infrastructure Incorporated (Landmark) for a Citywide Demonstration of Landmark's Vertex One (V1) Colocatable Communications Technology Infrastructure**

Recommendation:

Approve a Facilities Lease Agreement with Landmark for a citywide demonstration of Landmark's V1 Colocatable Communications Technology Infrastructure at fifteen City facilities including Lancaster City Hall, the Park and Ride at Sgt. Steve Owen Park and Rawley Duntley Park.

Fiscal Impact:

The Facilities Lease Agreement will provide the City with a monthly lease rent of four hundred dollars (\$400) or fifteen percent (15%) of the telecommunication revenue collected at each site, whichever amount is greater.

Background:

The City is reviewing strategic partnerships which will keep the City in line with the latest technology including expanding and densifying the City's cellular network to support the growth and use of smart technologies. Landmark approached the City to collaborate on a demonstration of their new design, the V1 tower, which supports multiple carrier tenants within one sleek package.

Landmark's business model includes installing Landmark infrastructure on City leased space, Landmark then subleases space on their infrastructure to cellular carrier tenants. The installation and maintenance of equipment is handled by Landmark on behalf of their cellular tenants. Landmark designed the V1 to be aesthetically pleasing while serving a useful purpose of allocating space for multiple carriers to collocate within one site. In addition, the V1 was designed to be host neutral which ensures that the tower was designed and outfitted to support all major cellular carrier's equipment.

Staff is requesting City Council approval of a lease agreement to install V1 smart infrastructure at fifteen City sites. This demonstration will benefit the City through added cellular coverage throughout the City. Additionally, the City will serve as a test bed for new technologies including video monitoring and IoT sensor data collection which Landmark will incorporate at each pilot site. The City will also have access to antennas at each site for use on City lead Wi-Fi projects. Each V1 pole will be wrapped by Landmark based on a design that is preapproved by the City.

As part of their initial work with the City, Landmark facilitated an RF (radio frequency) analysis which identified the existing coverage in Lancaster of the major carriers including AT&T, Verizon, T Mobile and Sprint. The results of the analysis showed above average quality for most cellular carriers and also identified areas in the City where carrier coverage is lacking. Landmark has relationships with all of the major cellular carriers and will recruit those carriers as tenants for the City's pilot demonstration. Additionally, the agreement with Landmark will ensure that an annual RF analysis is provided which will identify areas in the City that need additional cellular coverage and which the City may be able to partner with Landmark to provide coverage for through a future agreement.

Landmark's smart infrastructure is unique in the cellular industry. As mentioned, it was designed to allow multiple carriers to collocate within one smart enabled device. The V1 stands at thirty-six feet tall and has lockers which can hold equipment for up to four cellular tenants. Space is available in the V1 for a wireless camera and a light arm is included on the device which holds a custom LED light luminaire and IoT sensors. The City is also in discussions with Landmark to incorporate batteries at optimal sites which would be dispatchable by Lancaster Choice Energy for demand response and load shifting programs.

PG:te

Attachments:

Facilities Lease Agreement
Map of Pilot Sites

Market: _____
Site Number: _____
Site Name: _____
Fixed Asset Number: _____

FACILITIES LEASE AGREEMENT

THIS LAND LEASE AGREEMENT ("**Agreement**"), dated as of the latter of the signature dates below (the "**Effective Date**"), is entered into by City of Lancaster, a municipal corporation and charter city having a mailing address of 44933 Fern Avenue, Lancaster, CA 93534 ("**Landlord**"), and Landmark Infrastructure Inc., a Delaware corporation, having a mailing address of 2141 Rosecrans Avenue Suite 2100, El Segundo, CA 90245 ("**Tenant**").

BACKGROUND

Landlord owns or controls that certain plot, parcel or tract of land, as described on **Exhibit 1**, together with all rights and privileges arising in connection therewith, located at _____, Lancaster, CA _____, in the County of Los Angeles, State of California (collectively, the "**Property**"). Tenant desires to use a portion of the Property to install, construct, operate, maintain, replace and repair communications, containing technology for, among other things, telecommunications connectivity, including, but not limited to the pole(s), fiber distribution cabinet for fiber optic connectivity, power line connection, its telecommunication, technology and network infrastructure and all related equipment ("**Communications Infrastructure**"). Landlord desires to grant to Tenant the right to use a portion of the Property in accordance with this Agreement.

The parties agree as follows:

- 1. LEASE OF PREMISES.** Landlord hereby leases to Tenant a certain portion of the Property containing approximately _____ square feet including the air space above such ground space, as described on attached **Exhibit 1** (the "**Premises**") for the placement of Tenant's Communications Infrastructure.
- 2. PERMITTED USE.** Tenant may use the Premises for the installation, construction, maintenance, operation, repair, replacement and upgrade of its Communications Infrastructure and related equipment, cables, accessories and improvements, which may include a suitable support structure, associated antennas, equipment shelters or cabinets and fencing and any other items necessary to the successful and secure use of the Premises, as well as the right to test, survey and review title on the Property; Tenant further has the right but not the obligation to add, modify and/or replace equipment in order to be in compliance with any current or future federal, state or local mandated application, including, but not limited to, emergency 911 communication services at no additional cost to Tenant or Landlord (collectively, the "**Permitted Use**"). Landlord and Tenant agree that any portion of the Communications Infrastructure that may be conceptually described on **Exhibit 1** will not be deemed to limit Tenant's Permitted Use. If **Exhibit 1** includes drawings of the initial installation of the Communications Infrastructure, Landlord's execution of this Agreement will signify Landlord's approval of **Exhibit 1**. For a period of ninety (90) days following the start of construction, Landlord grants Tenant, its subtenants, licensees and sublicensees, the right to use such portions of Landlord's contiguous, and/or adjoining property (the "**Surrounding Property**") as may reasonably be required during construction and installation of the Communications Infrastructure. Tenant has the right to install and operate transmission cables from the equipment shelter or cabinet to the antennas, electric lines from the main feed to the equipment shelter or cabinet and communication lines from the Property's main entry point to the equipment shelter or cabinet, and to make other improvements, alterations, upgrades or additions appropriate for Tenant's Permitted Use, including the right to construct a

fence around the Premises and undertake any other appropriate means to secure the Premises at Tenant's expense. Tenant has the right to modify, supplement, replace, upgrade, expand the equipment, increase the number of antennas or relocate all or any portion of the Communication Infrastructure within the Premises at any time during the term of this Agreement. Tenant will be allowed to make such alterations to the **Premises** in order to ensure that Tenant's Communication Infrastructure complies with all applicable federal, state or local laws, rules or regulations.

3. TERM.

(a) The initial lease term will be five (5) years ("**Initial Term**"), commencing on the Effective Date. The Initial Term will terminate on the fifth (5th) anniversary of the Effective Date.

(b) This Agreement will automatically renew for four (4) additional five (5) year term(s) (each five (5) year term shall be defined as an "**Extension Term**"), upon the same terms and conditions unless Tenant notifies Landlord in writing of Tenant's intention not to renew this Agreement at least sixty (60) days prior to the expiration of the Initial Term or then-existing Extension Term.

(c) Unless (i) Landlord or Tenant notifies the other in writing of its intention to terminate this Agreement at least six (6) months prior to the expiration of the final Extension Term, or (ii) the Agreement is terminated prior to the end of the final Extension Term, then upon the final Extension Term, this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of one (1) year, and for annual terms thereafter ("**Annual Term**") until terminated by either party by giving to the other written notice of its intention to so terminate at least six (6) months prior to the end of any such Annual Term. If Tenant remains in possession of the Premises after the termination of this Agreement then Tenant will be deemed to be occupying the Premises on a month-to-month basis (the "**Holdover Term**"), subject to the terms and conditions of this Agreement.

(d) The Initial Term, any Extension Terms, any Annual Terms and any Holdover Term are collectively referred to as the Term ("**Term**").

4. RENT.

(a) Commencing on the Rent Commencement Date ("**Rent Commencement Date**" means the date of the final inspection approval of the Communications Infrastructure), Tenant will pay Landlord at the address set forth above within sixty (60) days of the last day of every month of the Term, and for every month thereafter, an amount equal to the greater of the following (the "**Rent**"): (i) the sum of Four Hundred Dollars (\$400.00); or (ii) fifteen percent (15%) of Telecom Revenue. In any partial monthly occurring after the Rent Commencement Date, Rent will be prorated. "**Telecom Revenue**" means all revenues actually derived from all sources attributable to the Telecom Infrastructure collected by Lessee, less any and all capital contributions, onboarding fees and expenses associated with the operating and maintenance of the Telecom Infrastructure including but not limited to telecommunications operating expenses, transaction fees, sales taxes and similar taxes. Under no circumstance shall Telecom Revenue be less than \$0.00 for purposes of calculating the Rent under this Section.

(b) All charges payable under this Agreement such as utilities and taxes shall be billed by Landlord within one (1) year from the end of the calendar year in which the charges were incurred; any charges beyond such period shall not be billed by Landlord, and shall not be payable by Tenant. The foregoing shall not apply to Rent which is due and payable without a requirement that it be billed by Landlord. The provisions of this subsection shall survive the termination or expiration of this Agreement.

5. APPROVALS.

(a) Landlord agrees that Tenant's ability to use the Premises is contingent upon the suitability of the Premises and Property for Tenant's Permitted Use and Tenant's ability to obtain and maintain all governmental licenses, permits, approvals or other relief required of or deemed necessary or appropriate by Tenant for its use of the Premises, including without limitation applications for zoning variances, zoning ordinances, amendments, special use permits, and construction permits (collectively, the "**Government Approvals**"). Landlord authorizes Tenant to prepare, execute and file all required applications to obtain

Government Approvals for Tenant's Permitted Use under this Agreement and agrees to reasonably assist Tenant with such applications and with obtaining and maintaining the Government Approvals; provided, however, that Landlord shall not be under any duty or obligation to incur any cost, expense or other liability in connection therewith. In addition, Tenant shall have the right to initiate the ordering and/or scheduling of necessary utilities.

(b) Tenant has the right to obtain a title report or commitment for a leasehold title policy from a title insurance company of its choice and to have the Property surveyed by a surveyor of its choice.

(c) Tenant may also perform and obtain, at Tenant's sole cost and expense, soil borings, percolation tests, engineering procedures, environmental investigation or other tests or reports on, over, and under the Property, necessary to determine if Tenant's use of the Premises will be compatible with Tenant's engineering specifications, system, design, operations or Government Approvals.

6. TERMINATION. This Agreement may be terminated, without penalty or further liability, as follows:

(a) by either party on thirty (30) days prior written notice, if the other party remains in default under Section 15 of this Agreement after the applicable cure periods;

(b) by Tenant upon written notice to Landlord, Tenant reasonably attempts but is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Communications Infrastructure as now or hereafter intended by Tenant; or if Tenant determines, in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable;

(c) by Tenant, upon written notice to Landlord within one hundred twenty (120) days of the Effective Date, if Tenant determines, in its sole discretion, due to the title report results or survey results, that the condition of the Premises is unsatisfactory for its intended uses; or

(d) by Tenant upon written notice to Landlord for any reason or no reason, at any time prior to commencement of construction by Tenant.

7. INSURANCE.

(a) During the Term, Tenant will carry, at its own cost and expense, the following insurance: (i) workers' compensation insurance as required by law; and (ii) commercial general liability (CGL) insurance with respect to its activities on the Property, such insurance to afford protection of up to Three Million Dollars (\$3,000,000) per occurrence and Six Million Dollars (\$6,000,000) general aggregate, based on Insurance Services Office (ISO) Form CG 00 01 or a substitute form providing substantially equivalent coverage. Tenant's CGL insurance shall contain a provision including Landlord as an additional insured. Such additional insured coverage:

(i) shall be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by Tenant, its employees, agents or independent contractors;

(ii) shall not extend to claims for punitive or exemplary damages arising out of the acts or omissions of Landlord, its employees, agents or independent contractors or where such coverage is prohibited by law or to claims arising out of the gross negligence of Landlord, its employees, agents or independent contractors; and

(iii) shall not exceed Tenant's indemnification obligation under this Agreement, if any.

(b) Notwithstanding the foregoing, Tenant shall have the right to self-insure the coverages required in subsection (a). In the event Tenant elects to self-insure its obligation to include Landlord as an additional insured, the following provisions shall apply (in addition to those set forth in subsection (a)):

(i) Landlord shall promptly and no later than thirty (30) days after notice thereof provide Tenant with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Tenant with copies of any demands,

notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like;

(ii) Landlord shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Tenant; and

(iii) Landlord shall fully cooperate with Tenant in the defense of the claim, demand, lawsuit, or the like.

8. INTERFERENCE.

(a) Prior to or concurrent with the execution of this Agreement, Landlord has provided or will provide Tenant with a list of radio frequency user(s) and frequencies use on the Property as of the Effective Date. Tenant warrants that its use of the Premises will not interfere with those existing radio frequency uses on the Property, as long as the existing radio frequency user(s) operate and continue to operate within their respective frequencies and in accordance with all applicable laws and regulations.

(b) Landlord will not grant, after the date of this Agreement, a lease, license or any other right to any third party, if exercise of such grant may in any way adversely affect or interfere with the Communications Infrastructure, the operations of Tenant or the rights of Tenant under this Agreement. Landlord will notify Tenant in writing prior to granting any third party the right to install and operate communications equipment on the Property.

(c) Landlord will not, nor will Landlord permit its employees, tenants, licensees, invitees, agents or independent contractors to, interfere in any way with the Communication Infrastructure, the operations of Tenant or the rights of Tenant under this Agreement. Landlord will cause such interference to cease within twenty-four (24) hours after receipt of notice of interference from Tenant. In the event any such interference does not cease within the aforementioned cure period, Landlord shall cease all operations on the Property which are suspected of causing interference (except for intermittent testing to determine the cause of such interference) until the interference has been corrected.

(d) For the purposes of this Agreement, "interference" may include, but is not limited to, any use on the Property or Surrounding Property that causes electronic or physical obstruction with, or degradation of, the communications signals from the Communications Infrastructure.

(e) Prior to the execution of this Agreement, Tenant has provided to Landlord a radio frequency analysis drive test that evaluates Tenant's coverage within the City of Lancaster.

9. INDEMNIFICATION.

(a) Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising directly from (i) Tenant's access to, use of and/or possession of the Premises pursuant to this Agreement; (ii) the installation, use, maintenance, repair or removal of the Communications Infrastructure ; and/or (iii) Tenant's breach of any provision of this Agreement, except to the extent attributable to the grossly negligent or intentional act or omission of Landlord, its employees, agents or independent contractors.

(b) Landlord agrees to indemnify, defend and hold Tenant harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising directly from the actions or failure to act of Landlord, its employees or agents, or Landlord's breach of any provision of this Agreement, except to the extent attributable to the grossly negligent or intentional act or omission of Tenant, its employees, agents or independent contractors.

(c) The indemnified party: (i) shall promptly provide the indemnifying party with written notice of any claim, demand, lawsuit, or the like for which it seeks indemnification pursuant to this Section and provide the indemnifying party with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of the indemnifying party; and (iii) shall fully cooperate with the indemnifying party in the defense of the claim, demand, lawsuit, or the like. A delay in

notice shall not relieve the indemnifying party of its indemnity obligation, except (1) to the extent the indemnifying party can show it was prejudiced by the delay; and (2) the indemnifying party shall not be liable for any settlement or litigation expenses incurred before the time when notice is given.

10. WARRANTIES.

(a) Tenant and Landlord each acknowledge and represent that it is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Agreement and bind itself hereto through the party set forth as signatory for the party below.

(b) Landlord represents, warrants and agrees that: (i) Landlord solely owns the Property as a legal lot in fee simple, or controls the Property by lease or license; (ii) the Property is not and will not be encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Tenant's Permitted Use and enjoyment of the Premises under this Agreement; (iii) as long as Tenant is not in default then Landlord grants to Tenant sole, actual, quiet and peaceful use, enjoyment and possession of the Premises without hindrance or ejection by any persons lawfully claiming under Landlord ; (iv) Landlord's execution and performance of this Agreement will not violate any laws, ordinances, covenants or the provisions of any mortgage, lease or other agreement binding on Landlord; and (v) if the Property is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, Landlord will provide promptly to Tenant a mutually agreeable subordination, non-disturbance and attornment agreement executed by Landlord and the holder of such security interest.

11. ENVIRONMENTAL.

(a) Landlord represents and warrants that, to the best of Landlord's knowledge after reasonable investigation, and except as may be identified in **Exhibit 11** attached to this Agreement, (i) the Property as of the date of this Agreement is free of hazardous substances, including asbestos-containing materials and lead paint, and (ii) the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Landlord and Tenant agree that each will be responsible for compliance with any and all laws (including any statutes, regulations, codes, ordinances, or principles of common law) regulating or imposing standards of liability or standards of conduct with regard to protection of the environment or worker health and safety, as may now or at any time hereafter be in effect, to the extent such apply to that party's activity conducted in or on the Property

(b) Landlord and Tenant agree to hold harmless and indemnify the other from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of the indemnifying party for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding ("**Claims**"), to the extent arising from that party's breach of its obligations or representations under Section 11(a). Landlord agrees to hold harmless and indemnify Tenant from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Landlord for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from subsurface or other contamination of the Property with hazardous substances prior to the Effective Date of this Agreement or from such contamination caused by the acts or omissions of Landlord during the Term. Tenant agrees to hold harmless and indemnify Landlord from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Tenant for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from hazardous substances brought onto the Property by Tenant.

(c) The indemnifications of this Section 11 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Section 11 will survive the expiration or termination of this Agreement.

(d) In the event Tenant becomes aware of any hazardous materials on the Property, or any environmental, health or safety condition or matter relating to the Property, that, in Tenant's sole determination, renders the condition of the Premises or Property unsuitable for Tenant's use, or if Tenant

believes that the leasing or continued leasing of the Premises would expose Tenant to undue risks of liability to a government agency or third party, Tenant will have the right, in addition to any other rights it may have at law or in equity, to terminate this Agreement upon written notice to Landlord.

12. ACCESS. At all times throughout the Term of this Agreement, and at no additional charge to Tenant, Tenant and its employees, agents, and subcontractors, will have twenty-four (24) hour per day, seven (7) day per week pedestrian and vehicular access (“Access”) to and over the Property, from an open and improved public road to the Premises, for the installation, maintenance and operation of the Communications Infrastructure and any utilities serving the Premises. As may be described more fully in **Exhibit 1**, Landlord grants to Tenant an easement for such Access and Landlord agrees to provide to Tenant such codes, keys and other instruments necessary for such Access at no additional cost to Tenant. Upon Tenant’s request, Landlord will execute a separate recordable easement evidencing this right. Landlord shall execute a letter granting Tenant Access to the Property substantially in the form attached as **Exhibit 12**; upon Tenant’s request, Landlord shall execute additional letters during the Term. Landlord acknowledges that in the event Tenant cannot obtain Access to the Premises, Tenant shall incur significant damage. If Landlord fails to provide the Access granted by this Section 12, such failure shall be a default under this Agreement.

13. REMOVAL/RESTORATION. All portions of the Communications Infrastructure brought onto the Property by Tenant will be and remain Tenant’s property and, at Tenant's option, may be removed by Tenant at any time during or after the Term. Landlord covenants and agrees that no part of the Communications Infrastructure and all improvements of every kind and nature constructed, erected or placed by Tenant on the Premises will be and remain the property of Tenant and may be removed by Tenant at any time during or after the Term. Tenant will repair any damage to the Property resulting from Tenant’s removal activities. Any portions of the Communications Infrastructure that Tenant does not remove within ninety (90) days after the later of the end of the Term and cessation of Tenant’s operations at the Premises shall be deemed abandoned and owned by Landlord.

14. MAINTENANCE, UTILITIES AND OTHER TENANT OBLIGATIONS.

(a) Tenant will keep and maintain the Premises in good condition, reasonable wear and tear and damage from the elements excepted. Landlord will maintain and repair access to the Premises where Tenant does not have exclusive control, in good and tenantable condition, subject to reasonable wear and tear and damage from the elements. Landlord will be responsible for maintenance of landscaping on the Property, including any landscaping installed by Tenant as a condition of this Agreement or any required permit.

(b) Tenant will be responsible for paying on a monthly or quarterly basis all utilities charges for electricity, telephone service or any other utility used or consumed by Tenant on the Premises. In the event Tenant cannot secure its own metered electrical supply, Tenant will have the right, at its own cost and expense, to submeter from Landlord. When submetering is required under this Agreement, Landlord will read the meter and provide Tenant with an invoice and usage data on a monthly basis. Landlord agrees that it will not include a markup on the utility charges. Landlord further agrees to provide the usage data and invoice on forms provided by Tenant and to send such forms to such address and/or agent designated by Tenant. Tenant will remit payment within forty-five (45) days of receipt of the usage data and required forms. As noted in Section 4(c) above, any utility fee recovery by Landlord is limited to a twelve (12) month period. If Tenant submeters electricity from Landlord, Landlord agrees to give Tenant at least twenty-four (24) hours advance notice of any planned interruptions of said electricity. Landlord acknowledges that Tenant provides a communication service which requires electrical power to operate and must operate twenty-four (24) hours per day, seven (7) days per week. If the interruption is for an extended period of time, in Tenant’s reasonable determination, Landlord agrees to allow Tenant the right to utilize on the Premises a temporary source of power for the duration of the interruption. Landlord will not be

responsible for interference with, interruption of or failure, beyond the reasonable control of Landlord, of such services to be furnished or supplied by Landlord.

(c) Landlord hereby grants to any company providing utility or similar services, including electric power and telecommunications, to Tenant an easement over the Property, from an open and improved public road to the Premises, and upon the Premises, for the purpose of constructing, operating and maintaining such lines, wires, circuits, and conduits, associated equipment cabinets and such appurtenances thereto, as such utility companies may from time to time require in order to provide such services to the Premises. Upon Tenant's or service company's request, Landlord will execute a separate recordable easement evidencing this grant, at no cost to Tenant or the service company.

(d) Tenant may, at its sole cost and expense, install or cause installation of the fiber optic cable on the Property and any other infrastructure necessary to bring fiber to the Property; provided, however, in the event Tenant brings fiber(s) to the Property, Landlord shall have the right to access and use the strands of single mode fiber optic cables, if such strands are available, during the Term. In the event the Property has existing fiber optic service, Landlord shall have the right to charge subtenant(s) (telecommunication providers, carriers or IoT companies) a fee for the use the existing fiber optic cable .

(e) Upon Landlord's request, Tenant agrees to provide Landlord access to the camera installed at the Property. Landlord understands that Tenant does not monitor and record any camera footage. Landlord shall have the right to use available space on the Communications Infrastructure to install video surveillance camera(s).

(f) Upon Landlord's request, Tenant agrees that Landlord shall have the right to use space on the Communications Infrastructure, sufficient for the installation of a wireless antenna for Landlord's use during the Term of this Agreement.

(g) Upon Landlord's request, Tenant agrees to install on the Communications Infrastructure, an Internet of Things ("IoT") sensor capable of monitoring vehicular and pedestrian traffic. Landlord shall have access to all data from such sensor. Landlord acknowledges that Tenant does not collect such data.

(h) In marketing or negotiating the duration of any sublease permitted by Section 16 of this Agreement, Tenant agrees to and shall use its reasonable effort to secure a term/duration of at least five (5) years.

(i) Landlord may request a specific wrap design for the pole. The Parties shall work together to finalize the design of the pole wrap. Landlord will provide graphics, design samples or templates to Tenant. Tenant shall submit to Landlord the final wrap design prior to its production. Landlord shall approve or reasonably disapprove the final wrap design within fifteen (15) days of the receipt of the final wrap design. Tenant shall only install a wrap that consists of a design approved by Landlord.

15. DEFAULT AND RIGHT TO CURE.

(a) The following will be deemed a default by Tenant and a breach of this Agreement: (i) non-payment of Rent if such Rent remains unpaid for more than thirty (30) days after written notice from Landlord of such failure to pay; or (ii) Tenant's failure to perform any other term or condition under this Agreement within forty-five (45) days after written notice from Landlord specifying the failure. No such failure, however, will be deemed to exist if Tenant has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. If Tenant remains in default beyond any applicable cure period, Landlord will have the right to exercise any and all rights and remedies available to it under this Agreement, at law and/or in equity.

(b) The following will be deemed a default by Landlord and a breach of this Agreement: (i) Landlord's failure to provide Access to the Premises as required by Section 12 of this Agreement within twenty-four (24) hours after written notice of such failure; (ii) Landlord's failure to cure an interference problem as required by Section 8 of this Agreement within twenty-four (24) hours after written notice of such failure; or (iii) Landlord's failure to perform any term, condition or breach of any warranty or covenant under this Agreement within forty-five (45) days after written notice from Tenant specifying the failure. No such failure, however, will be deemed to exist if Landlord has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. If Landlord

remains in default beyond any applicable cure period, Tenant will have the right to exercise any and all rights and remedies available to it under this Agreement, at law and/or in equity.

16. ASSIGNMENT/SUBLEASE.

Tenant will have the right to assign, sell or transfer its interest under this Agreement without the approval or consent of Landlord, to Tenant's Affiliate or to any entity which acquires all or substantially all of the Tenant's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition, or other business reorganization. Upon written notification to Landlord of such assignment, transfer or sale, Tenant will be relieved of all future performance, liabilities and obligations under this Agreement. Tenant shall also have the right, without Landlord's consent, to sublease all or any part of the Premises or license all or any part of the Communications Infrastructure to up to three (3) telecommunications providers or carriers or up to five (5) IoT companies for the purpose of installing, maintaining and operating telecommunication equipment within appropriate elements of the Communications Infrastructure or in connection with federally licensed communications business or for similar purposes. Tenant may not otherwise assign this Agreement without Landlord's consent, Landlord's consent not to be unreasonably withheld, conditioned or delayed.

17. NOTICES. All notices, requests and demands hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

If to Tenant: Landmark Infrastructure Inc.
400 N. Continental Boulevard, Suite 500
El Segundo, CA 90245
Attn: Legal Department
jbobek@landmarkdividend.com
cschmidt@landmarkdividend.com

With a copy to: _____

If to Landlord: City of Lancaster
Attn: City Manager
44933 Fern Avenue
Lancaster, CA 93534

With a copy to: Stradling Yocca Carlson & Rauth, P.C.
Attn: Allison Burns
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660

Either party hereto may change the place for the giving of notice to it by thirty (30) days' prior written notice to the other as provided herein.

18. CONDEMNATION. In the event Landlord receives notification of any condemnation proceedings affecting the Property, Landlord will provide notice of the proceeding to Tenant within forty-eight (48) hours. If a condemning authority takes all of the Property, or a portion sufficient, in Tenant's sole

determination, to render the Premises unsuitable for Tenant, this Agreement will terminate as of the date the title vests in the condemning authority. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Tenant will include, where applicable, the value of its Communications Infrastructure, moving expenses, prepaid Rent, and business dislocation expenses. Tenant will be entitled to reimbursement for any prepaid Rent on a pro rata basis.

19. CASUALTY. Landlord will provide notice to Tenant of any casualty or other harm affecting the Property within forty-eight (48) hours of the casualty or other harm. If any part of the Communications Infrastructure or Property is damaged by casualty or other harm as to render the Premises unsuitable, in Tenant's sole determination, then Tenant may terminate this Agreement by providing written notice to Landlord, which termination will be effective as of the date of such casualty or other harm. Upon such termination, Tenant will be entitled to collect all insurance proceeds payable to Tenant on account thereof and to be reimbursed for any prepaid Rent on a pro rata basis. Landlord agrees to permit Tenant to place temporary transmission and reception facilities on the Property, but only until such time as Tenant is able to activate a replacement transmission facility at another location; notwithstanding the termination of this Agreement, such temporary facilities will be governed by all of the terms and conditions of this Agreement, including Rent. If Landlord or Tenant undertakes to rebuild or restore the Premises and/or the Communications Infrastructure, as applicable, Landlord agrees to permit Tenant to place temporary transmission and reception facilities on the Property at no additional Rent until the reconstruction of the Premises and/or the Communications Infrastructure is completed. If Landlord determines not to rebuild or restore the Property, Landlord will notify Tenant of such determination within forty five (45) days after the casualty or other harm. If Landlord does not so notify Tenant and Tenant decides not to terminate under this Section, then Landlord will promptly rebuild or restore any portion of the Property interfering with or required for Tenant's Permitted Use of the Premises to substantially the same condition as existed before the casualty or other harm. Landlord agrees that the Rent shall be abated until the Property and/or the Premises are rebuilt or restored, unless Tenant places temporary transmission and reception facilities on the Property.

20. WAIVER OF LANDLORD'S LIENS. Landlord waives any and all lien rights it may have, statutory or otherwise, concerning the Communications Infrastructure or any portion thereof. The Communications Infrastructure shall be deemed personal property for purposes of this Agreement, regardless of whether any portion is deemed real or personal property under applicable law; Landlord consents to Tenant's right to remove all or any portion of the Communications Infrastructure from time to time in Tenant's sole discretion and without Landlord's consent.

21. TAXES.

(a) Landlord shall be responsible for timely payment of all taxes and assessments levied upon the lands, improvements and other property of Landlord including any such taxes that may be calculated by the taxing authority using any method, including the income method. Tenant shall be responsible for any taxes and assessments attributable to and levied upon Tenant's leasehold improvements on the Premises if and as set forth in this Section 21. Nothing herein shall require Tenant to pay any inheritance, franchise, income, payroll, excise, privilege, rent, capital stock, stamp, documentary, estate or profit tax, or any tax of similar nature, that is or may be imposed upon Landlord.

(b) In the event Landlord receives a notice of assessment with respect to which taxes or assessments are imposed on Tenant's leasehold improvements on the Premises, Landlord shall provide Tenant with copies of each such notice immediately upon receipt, but in no event later than thirty (30) days after the date of such notice of assessment. If Landlord does not provide such notice or notices to Tenant within such time period, Landlord shall be responsible for payment of the tax or assessment set forth in the notice, and Landlord shall not have the right to reimbursement of such amount from Tenant. If Landlord provides a notice of assessment to Tenant within such time period and requests reimbursement from Tenant as set forth below, then Tenant shall reimburse Landlord for the tax or assessments identified on the notice of

assessment on Tenant's leasehold improvements, which has been paid by Landlord. If Landlord seeks reimbursement from Tenant, Landlord shall, no later than thirty (30) days after Landlord's payment of the taxes or assessments for the assessed tax year, provide Tenant with written notice including evidence that Landlord has timely paid same, and Landlord shall provide to Tenant any other documentation reasonably requested by Tenant to allow Tenant to evaluate the payment and to reimburse Landlord.

(c) For any tax amount for which Tenant is responsible under this Agreement, Tenant shall have the right to contest, in good faith, the validity or the amount thereof using such administrative, appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as Tenant may deem appropriate. This right shall include the ability to institute any legal, regulatory or informal action in the name of Landlord, Tenant, or both, with respect to the valuation of the Premises. Landlord shall cooperate with respect to the commencement and prosecution of any such proceedings and will execute any documents required therefor. The expense of any such proceedings shall be borne by Tenant and any refunds or rebates secured as a result of Tenant's action shall belong to Tenant, to the extent the amounts were originally paid by Tenant. In the event Tenant notifies Landlord by the due date for assessment of Tenant's intent to contest the assessment, Landlord shall not pay the assessment pending conclusion of the contest, unless required by applicable law.

(d) Landlord shall not split or cause the tax parcel on which the Premises are located to be split, bifurcated, separated or divided without the prior written consent of Tenant.

(e) Tenant shall have the right but not the obligation to pay any taxes due by Landlord hereunder if Landlord fails to timely do so, in addition to any other rights or remedies of Tenant. In the event that Tenant exercises its rights under this Section 21(e) due to such Landlord default, Tenant shall have the right to deduct such tax amounts paid from any monies due to Landlord from Tenant as provided in Section 15(b), provided that Tenant may exercise such right without having provided to Landlord notice and the opportunity to cure per Section 15(b).

(f) Any tax-related notices shall be sent to Tenant in the manner set forth in Section 17 and, in addition, of a copy of any such notices shall be sent to the following address. Promptly after the Effective Date of this Agreement, Landlord shall provide the following address to the taxing authority for the authority's use in the event the authority needs to communicate with Tenant. In the event that Tenant's tax addresses changes by notice to Landlord, Landlord shall be required to provide Tenant's new tax address to the taxing authority or authorities.

Landmark Infrastructure Inc.

Attn: _____

(g) Notwithstanding anything to the contrary contained in this Section 21, Tenant shall have no obligation to reimburse any tax or assessment for which the Landlord is reimbursed or rebated by a third party.

22. SALE OF PROPERTY.

(a) Landlord shall not be prohibited from the selling, leasing or use of any of the Property or the Surrounding Property except as provided below.

(b) If Landlord, at any time during the Term of this Agreement, decides sell, subdivide or otherwise transfer all or any part of the Premises, or all or any part of the Property, to a purchaser other than Tenant, Landlord shall promptly notify Tenant in writing, and such sale, subdivision or transfer shall be subject to this Agreement and Tenant's rights hereunder. In the event of a change in ownership, transfer or sale of the Property, within thirty (30) days of such transfer, Landlord or its successor shall send the

documents listed below in this subsection (b) to Tenant. Until Tenant receives all such documents, Tenant shall not be responsible for any failure to make payments under this Agreement and reserves the right to hold payments due under this Agreement.

- i. Old deed to Property
- ii. New deed to Property
- iii. Bill of Sale or Transfer
- iv. New IRS Form W-9
- v. Completed and Signed AT&T Payment Direction Form
- vi. Full contact information for new Landlord including phone number(s)

(c) Landlord agrees not to sell, lease or use any areas of the Property or Surrounding Property for the installation, operation or maintenance of other wireless communications facilities if such installation, operation or maintenance would interfere with Tenant's Permitted Use or communications equipment as determined by radio propagation tests performed by Tenant in its sole discretion. Landlord or Landlord's prospective purchaser shall reimburse Tenant for any costs and expenses of such testing. If the radio frequency propagation tests demonstrate levels of interference unacceptable to Tenant, Landlord shall be prohibited from selling, leasing or using the Property or the Surrounding Property for such purpose.

(d) The provisions of this Section shall in no way limit or impair the obligations of Landlord under this Agreement, including interference and access obligations.

23. RENTAL STREAM OFFER. If at any time after the date of this Agreement, Landlord receives a bona fide written offer from a third party seeking an assignment or transfer of the Rent payments associated with this Agreement ("**Rental Stream Offer**"), Landlord shall, prior to accepting such Rental Stream Offer, furnish Tenant with a copy of the same. Tenant shall have the right within twenty (20) days after it receives such copy to match the Rental Stream Offer and offer in writing to match the terms of the Rental Stream Offer. Tenant's offer shall be in the form of a contract substantially similar to the Rental Stream Offer. If Tenant chooses not to exercise this right or fails to provide written notice to Landlord within the twenty (20) day period, Landlord may assign the right to receive Rent payments pursuant to the Rental Stream Offer, subject to the terms of this Agreement. If Landlord attempts to assign or transfer Rent payments without complying with this Section, the assignment or transfer shall be void. Nothing in this Section 23 shall be interpreted as requiring Landlord to accept a Rental Stream Offer, or a matching offer made by Tenant.

24. EXCLUSIVITY. It is agreed that so long as Tenant has not been in default beyond any applicable cure period under the terms of this Lease, Landlord shall not, directly or indirectly, grant, negotiate, solicit or entertain any offers with any other person or entity, other than Tenant for leasing, licensing, use, installation, operation or maintenance of telecommunications infrastructure at the Property during the Term. The restriction shall not apply to any leases, licenses or other agreements entered into prior to the date of this Lease. Nothing in this Agreement, including this Section 24, shall prohibit or in any manner whatsoever restrict Landlord from issuing encroachment permits, land use entitlements and/or other approvals regarding a telegraph or telephone corporation's use of the public right-of-way pursuant to Section 7901 *et seq.* of the California Public Utilities Code.

25. MISCELLANEOUS.

(a) **Amendment/Waiver.** This Agreement cannot be amended, modified or revised unless done in writing and signed by Landlord and Tenant. No provision may be waived except in a writing signed by both parties. The failure by a party to enforce any provision of this Agreement or to require performance by the other party will not be construed to be a waiver, or in any way affect the right of either party to enforce such provision thereafter.

(b) **Memorandum/Short Form Lease.** Contemporaneously with the execution of this Agreement, the parties will execute a recordable Memorandum or Short Form of Lease substantially in the form attached as **Exhibit 25b**. Either party may record this Memorandum or Short Form of Lease at any time during the Term, in its absolute discretion. Thereafter during the Term of this Agreement, either party will, at any time upon fifteen (15) business days' prior written notice from the other, execute, acknowledge and deliver to the other a recordable Memorandum or Short Form of Lease.

(c) **Limitation of Liability.** Except for the indemnity obligations set forth in this Agreement, and otherwise notwithstanding anything to the contrary in this Agreement, Tenant and Landlord each waives any claims that each may have against the other with respect to consequential, incidental or special damages, however caused, based on any theory of liability. Additionally, Tenant acknowledges and agrees that Landlord bears no responsibility or liability for the cost of the Communications Infrastructure, including, without limitation, the cost of construction, installation, operation, maintenance, repair or removal; all such costs and expenses shall be Tenant's sole responsibility, unless to the extent such costs are the result of Landlord's gross negligence or misconduct.

(d) **Compliance with Law.** Tenant agrees to comply with all federal, state and local laws, orders, rules and regulations ("**Laws**") applicable to Tenant's use of the Communications Infrastructure on the Property. Landlord agrees to comply with all Laws relating to Landlord's ownership and use of the Property and any improvements on the Property.

(e) **Bind and Benefit.** The terms and conditions contained in this Agreement will run with the Property and bind and inure to the benefit of the parties, their respective heirs, executors, administrators, successors and assigns.

(f) **Entire Agreement.** This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement. Exhibits are numbered to correspond to the Section wherein they are first referenced. Except as otherwise stated in this Agreement, each party shall bear its own fees and expenses (including the fees and expenses of its agents, brokers, representatives, attorneys, and accountants) incurred in connection with the negotiation, drafting, execution and performance of this Agreement and the transactions it contemplates.

(g) **Governing Law.** This Agreement will be governed by the laws of the state in which the Premises are located, without regard to conflicts of law.

(h) **Interpretation.** Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (ii) use of the term "including" will be interpreted to mean "including but not limited to"; (iii) whenever a party's consent is required under this Agreement, except as otherwise stated in the Agreement or as same may be duplicative, such consent will not be unreasonably withheld, conditioned or delayed; (iv) exhibits are an integral part of this Agreement and are incorporated by reference into this Agreement; (v) use of the terms "termination" or "expiration" are interchangeable; (vi) reference to a default will take into consideration any applicable notice, grace and cure periods; (vii) to the extent there is any issue with respect to any alleged, perceived or actual ambiguity in this Agreement, the ambiguity shall not be resolved on the basis of who drafted the Agreement; (viii) the singular use of words includes the plural where appropriate and (ix) if any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force if the overall purpose of the Agreement is not rendered impossible and the original purpose, intent or consideration is not materially impaired.

(i) **Affiliates.** All references to "Tenant" shall be deemed to include any Affiliate of Landmark Infrastructure Inc. or Landmark Dividend LLC using the Premises for any Permitted Use or otherwise exercising the rights of Tenant pursuant to this Agreement. "Affiliate" means with respect to a party to this Agreement, any person or entity that (directly or indirectly) controls, is controlled by, or under common control with, that party. "Control" of a person or entity means the power (directly or indirectly) to direct the management or policies of that person or entity, whether through the ownership of voting securities, by contract, by agency, by general partner or managing member, or otherwise.

(j) **Survival.** Any provisions of this Agreement relating to indemnification shall survive the termination or expiration hereof. In addition, any terms and conditions contained in this Agreement that by their sense and context are intended to survive the termination or expiration of this Agreement shall so survive.

(k) **W-9.** As a condition precedent to payment, Landlord agrees to provide Tenant with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Tenant, including any change in Landlord's name or address.

(l) **Execution/No Option.** The submission of this Agreement to any party for examination or consideration does not constitute an offer, reservation of or option for the Premises based on the terms set forth herein. This Agreement will become effective as a binding Agreement only upon the handwritten legal execution, acknowledgment and delivery hereof by Landlord and Tenant. This Agreement may be executed in two (2) or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties. All parties need not sign the same counterpart.

(m) **Attorneys' Fees.** In the event that any dispute between the parties related to this Agreement should result in litigation, the prevailing party in such litigation shall be entitled to recover from the other party all reasonable fees and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses. Prevailing party means the party determined by the court to have most nearly prevailed even if such party did not prevail in all matters. This provision will not be construed to entitle any party other than Landlord, Tenant and their respective Affiliates to recover their fees and expenses.

(n) **WAIVER OF JURY TRIAL.** EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER ANY THEORY OF LIABILITY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE TRANSACTIONS IT CONTEMPLATES.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the last date written below.

"LANDLORD"

City of Lancaster, a municipal corporation and charter city

Dated _____, 2018

By: _____
Mark V. Bozigian, City Manager

ATTEST:

BRITT AVRIT, City Clerk

APPROVED AS TO FORM:

ALLISON E. BURNS, City Attorney

APPROVED AS TO PROGRAM:

RONDA PEREZ
Parks, Recreation and Arts Director

"TENANT"

Landmark Infrastructure Inc.,
a Delaware corporation

By: _____
Its: _____
By: _____
Print Name: _____
Its: _____
Date: _____

[ACKNOWLEDGMENTS APPEAR ON NEXT PAGE]

LANDLORD ACKNOWLEDGMENT

State of California)
County of _____)

On _____ before me, _____,
(insert name and title of the officer)

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 _____ (Seal)

TENANT ACKNOWLEDGMENT

State of California)
County of _____)

On _____ before me, _____,
(insert name and title of the officer)

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 _____ (Seal)

EXHIBIT 1

DESCRIPTION OF PREMISES

Page ___ of ___

to the Land Lease Agreement dated _____, 20___, by and between City of Lancaster, a municipal corporation and charter city, as Landlord, and Landmark Infrastructure Inc., a Delaware corporation, as Tenant.

The Property is legally described as follows:

The Premises are described and/or depicted as follows:

See Attached Drawings.

Notes:

1. THIS EXHIBIT MAY BE REPLACED BY A LAND SURVEY AND/OR CONSTRUCTION DRAWINGS OF THE PREMISES ONCE RECEIVED BY TENANT.
2. ANY SETBACK OF THE PREMISES FROM THE PROPERTY'S BOUNDARIES SHALL BE THE DISTANCE REQUIRED BY THE APPLICABLE GOVERNMENTAL AUTHORITIES.
3. WIDTH OF ACCESS ROAD SHALL BE THE WIDTH REQUIRED BY THE APPLICABLE GOVERNMENTAL AUTHORITIES, INCLUDING POLICE AND FIRE DEPARTMENTS.
4. THE TYPE, NUMBER AND MOUNTING POSITIONS AND LOCATIONS OF ANTENNAS AND TRANSMISSION LINES ARE ILLUSTRATIVE ONLY. ACTUAL TYPES, NUMBERS AND MOUNTING POSITIONS MAY VARY FROM WHAT IS SHOWN ABOVE.

EXHIBIT 11

ENVIRONMENTAL DISCLOSURE

Landlord represents and warrants that the Property, as of the date of this Agreement, is free of hazardous substances except as follows:

EXHIBIT 12

STANDARD ACCESS LETTER

[FOLLOWS ON NEXT PAGE]

[Landlord Letterhead]

DATE

Building Staff / Security Staff
Landlord, Lessee, Licensee
Street Address
City, State, Zip

Re: Authorized Access granted to _____

Dear Building and Security Staff,

Please be advised that we have signed a lease with _____ permitting _____ to install, operate and maintain telecommunications equipment at the property. The terms of the lease grant _____ and its representatives, employees, agents and subcontractors (“representatives”) 24 hour per day, 7 day per week access to the leased area.

To avoid impact on telephone service during the day, _____ representatives may be seeking access to the property outside of normal business hours. _____ representatives have been instructed to keep noise levels at a minimum during their visit.

Please grant the bearer of a copy of this letter access to the property and to leased area. Thank you for your assistance.

Landlord Signature

EXHIBIT 24b

MEMORANDUM OF LEASE

[FOLLOWS ON NEXT PAGE]

MEMORANDUM OF LEASE

Prepared by:

Velotera Services
151 Kalmus Drive, E220
Costa Mesa, CA 92626

& When Recorded Return to:

Velotera Services
151 Kalmus Drive, E220
Costa Mesa, CA 92626

APN: 3125-010-915

(Space Above This Line For Recorder's Use Only)

Re: Cell Site #: NL0500-02;
Cell Site Name: Lancaster City Park
Fixed Asset Number: 11585721
State: California
County: Los Angeles

**MEMORANDUM
OF
LEASE**

This Memorandum of Lease is entered into on this ____ day of _____, 20____, by and between City of Lancaster, a municipal corporation and charter city having a mailing address of 44933 Fern Avenue, Lancaster, CA 93534 (hereinafter referred to as "**Landlord**") and Landmark Infrastructure Inc., a Delaware corporation, having a mailing address of _____ (hereinafter referred to as "**Tenant**").

1. Landlord and Tenant entered into a certain Land Lease Agreement ("**Agreement**") on the ____ day of _____, 20____, for the purpose of installing, operating and maintaining a communications infrastructure and other improvements. All of the foregoing is set forth in the Agreement.
2. The initial lease term will be five (5) years commencing on the Effective Date of the Agreement, with four (4) successive five (5) year options to renew.
3. The portion of the land being leased to Tenant and associated easements are described in **Exhibit 1** annexed hereto.
4. This Memorandum of Lease is not intended to amend or modify, and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Agreement, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum of Lease and the provisions of the Agreement, the provisions of the Agreement shall control. The Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject to the provisions of the Agreement.

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

"LANDLORD"

City of Lancaster, a municipal corporation and charter city

Dated _____, 2013

By: _____
Mark V. Bozigian, City Manager

ATTEST:

BRITT AVRIT, City Clerk

APPROVED AS TO FORM:

ALLISON BURNS, City Attorney

APPROVED AS TO PROGRAM:

RONDA PEREZ
Parks, Recreation and Arts Director

"TENANT"

Landmark Infrastructure Inc.,
a Delaware limited liability company

By: _____
Its: _____
By: _____
Print Name: _____
Its: _____
Date: _____

[ACKNOWLEDGMENTS APPEAR ON NEXT PAGE]

TENANT ACKNOWLEDGMENT

State of California)
County of _____)

On _____ before me, _____,
(insert name and title of the officer)

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 _____ (Seal)

LANDLORD ACKNOWLEDGMENT

State of California)
County of _____)

On _____ before me, _____,
(insert name and title of the officer)

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 _____ (Seal)

EXHIBIT 1

DESCRIPTION OF PREMISES

Page 1 of _1

to the Memorandum of Lease dated _____, 20____, by and between _____, a _____, as Landlord, and Landmakr Dividend Inc., a Delaware corporation, as Tenant.


The Property is legally described as follows:


The Premises are described and/or depicted as follows:

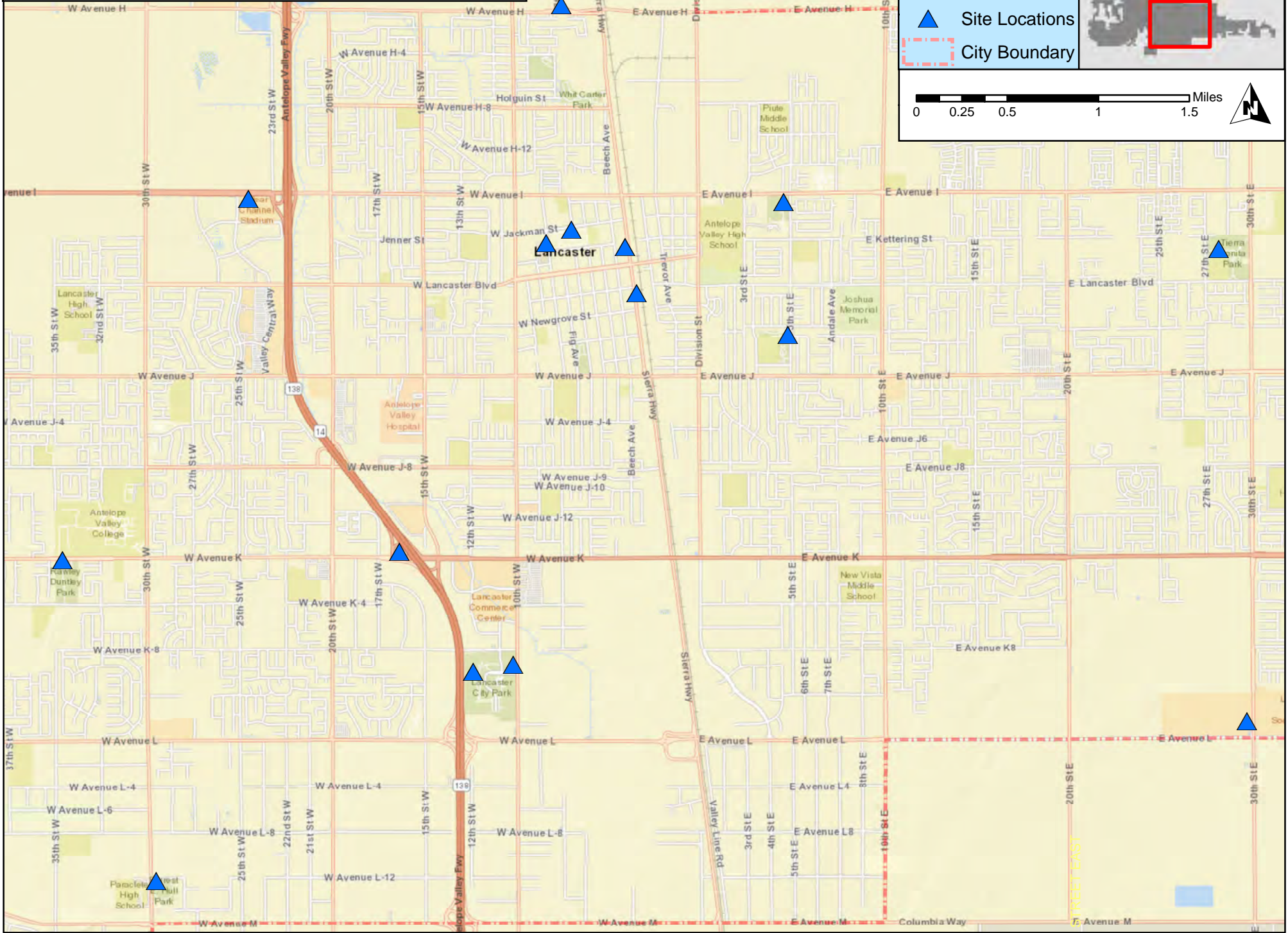
SEE ATTACHED DRAWING

Legend

- ▲ Site Locations
- City Boundary


Miles





**MEMORANDUM
CITY OF LANCASTER, CA**

TO: Mayor Parris and City Council Members

FROM: Vice Mayor Marvin Crist
Council Member Raj Malhi

DATE: October 23, 2018

SUBJECT: **Report on the Activities of the Board of Directors for the Antelope Valley Transit Authority**

Recommendation:

Receive a report of the proceedings and issues discussed at the August regular Board of Directors meeting of the Antelope Valley Transit Authority (AVTA).

Background:

The Antelope Valley Transit Authority is a distinct government entity created under a joint powers authority agreement between the City of Lancaster, the City of Palmdale, and Los Angeles County that provides public transit services. Vice Mayor Marvin Crist serves as the Chairman and Council Member Angela Underwood-Jacobs serves as a Director on the AVTA Board for the City of Lancaster. Council Member Raj Malhi serves as an Alternate Director.

The following significant events took place at the regular August Board meeting:

Present: Chairman Marvin Crist
Vice Chair Dianne Knippel
Alternate Director Raj Malhi
Director Michelle Flanagan
Director Juan Carrillo

Absent: Director Angela Underwood-Jacobs
Director Steve Hofbauer

Resolution No. 2018-019, authorizing the Executive Director/CEO to execute agreements necessary for the Server Room upgrade project with funds from the California State of Good Repair Program for fiscal year 2018/2019 (FY19).

Adopted Resolution No. 2018-019.
Approved (6-0-0-0)

Resolution No. 2018-020, authorizing the execution of a master agreement, baseline agreement and program supplements for state-funded transit projects.

Adopted Resolution No. 2018-020.
Approved (6-0-0-0)

CUBIC Transportation Systems, Inc. – Farebox equipment and TAP validator upgrade project.

Authorized the Executive Director/CEO to negotiate and execute a contract with CUBIC Transportation Systems, Inc. to support the preparation and installation of 75 DCU/farebox upgrade kits, 10 DCU/farebox spares, new farebox lids, and one garage computer for the system.

Approved (6-0-0-0)