

EXHIBIT A

LANCASTER BUSINESS IMPROVEMENT AREA

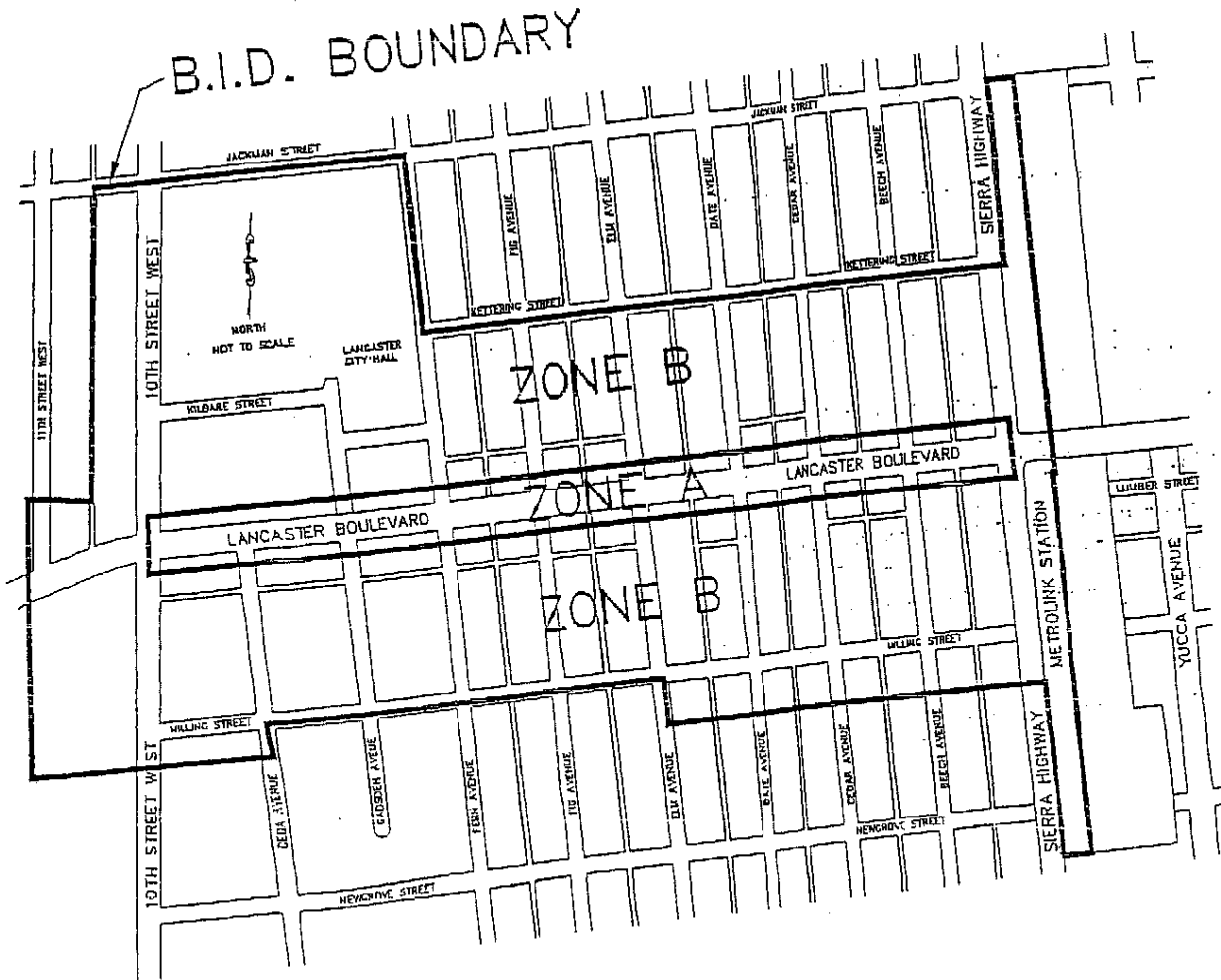


EXHIBIT B

DESCRIPTION OF THE LANCASTER BUSINESS IMPROVEMENT AREA

Beginning at a point in the center of the intersection of Jackman Street and Fern Avenue, thence southerly along the centerline of Fern Avenue to a point in the center of the intersection of Fern Avenue and Kettering Street, thence easterly along the centerline of Kettering Street to a point in the center of the intersection of Kettering Street and Sierra Highway, thence northerly along the centerline of Sierra Highway approximately 680 feet to a point where the northerly right-of-way line of Jackman Street intersects the centerline of Sierra Highway, thence easterly along the northerly right-of-way line of Jackman Street for a distance of 160 feet to the westerly boundary of the Union Pacific Railroad right-of-way, thence southerly along the western boundary of the Union Pacific Railroad right-of-way a distance of approximately 1,456 feet, thence westerly 6 feet, thence southerly along the easterly boundary of the Metrolink Station facility approximately 949 feet, thence westerly along the southerly boundary of the Metrolink Station facility extending said line approximately 154 feet to the intersection of the centerline of Sierra Highway, thence westerly along the property line occurring between Lots 8 and 9, Block 1, a distance of approximately 210 feet to a point in the center of an alley, thence southerly along the centerline of the alley a distance of approximately 59 feet, thence westerly along a property line occurring between Lots 13 and 14 of Block 1, a distance of approximately 190 feet to a point in the centerline of Beech Avenue, thence northerly along the centerline of Beech Avenue a distance of approximately 59 feet, then westerly (along property lines) a distance of approximately 1,140 feet to a point in the centerline of Elm Avenue, thence northerly along the centerline of Elm Avenue, a distance of approximately 138 feet to a point in the center of the intersection of Elm Avenue and Milling Street, thence westerly approximately 1,508 feet along the centerline of Milling Street to a point in the center of the intersection of Milling Street and Genoa Avenue, thence southerly a distance of approximately 105 feet to a point in the centerline of Genoa Avenue, thence westerly a distance of approximately 446 feet (along a property line) to a point in the centerline of 10th Street West, thence continuing westerly a distance of approximately 390 feet to the centerline of 11th Street West, thence northerly along the centerline of 11th Street West a distance of approximately 830 feet to a point in the centerline of 11th Street West and an alleyway lying to the east, thence easterly along the centerline of said alleyway a distance of approximately 190 feet, thence northerly, along an alleyway, a distance of approximately 1,268 feet to a point in the centerline of Jackman Street, thence easterly along the centerline of Jackman Street a distance of approximately 1,110 feet at the point of the beginning.

EXHIBIT C

BUSINESS IMPROVEMENT DISTRICT ANNUAL ASSESSMENT FEE

ZONE A

Retail Business

- | | | |
|----|---------------------|-------|
| a) | 1-2 Employees | \$150 |
| b) | 3 or more Employees | \$300 |

Non-Retail Business

- | | | |
|----|---------------------|-------|
| a) | 1-2 Employees | \$120 |
| b) | 3 or more Employees | \$240 |

ZONE B

Retail Business

- | | | |
|----|---------------------|-------|
| a) | 1-2 Employees | \$75 |
| b) | 3 or more Employees | \$150 |

Non-Retail Business

- | | | |
|----|---------------------|-------|
| a) | 1-2 Employees | \$60 |
| b) | 3 or more Employees | \$120 |



TELEPHONE (661) 942-1573
554 WEST LANCASTER BOULEVARD
LANCASTER, CALIFORNIA 93584-0867

May 6, 2008

Mayor R. Rex Parris and City Council
City of Lancaster
44933 N. Fern Ave.
Lancaster, CA 93534

Dear Mayor Parris and Council Members,

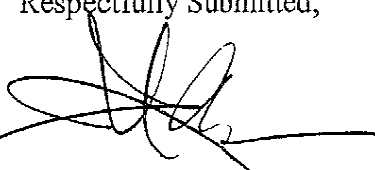
The Lancaster Old Town Site (LOTS) Board of Directors requests the City of Lancaster's assistance in processing and collecting the annual Parking and Business District (PHID) assessment for fiscal years 2008-2009.

These funds will be utilized to market the downtown area as a destination location, revitalization efforts and improvement of the area, and promotion of events that bring a positive image to the Downtown District. The Downtown Lancaster Specific Plan, will require a collaborative effort to be successful. LOTS is fully prepared to engage in this process to assist the City of Lancaster in finalizing and implementing a Downtown Specific Plan that will benefit the Downtown District and the Lancaster community.

The PHID assessment will be crucial in implementing LOTS strategic plan for the coming year. Our goal is to continue to be a key partner and integral part in keeping the Downtown District a thriving and vital aspect of our City.

The LOTS Year End Report is attached. If you have any questions or require additional information, please do not hesitate to contact me. Thank you for your continued support.

Respectfully Submitted,



Josh Mann
Chairman of the Board

2007 – 2008 Year-End Report

Mission

The mission of the Lancaster Old Town Site (LOTS) is to promote, coordinate and influence the continuing vitality of Downtown Lancaster as a safe and friendly center for business, community and cultural life in the Antelope Valley.

Activities

The Lancaster Old Town Site (LOTS), has remained an active organization in the promotion of Lancaster's Downtown District. During this past year, the following activities were accomplished to further the goals established by LOTS:

- a. LOTS held its annual Organizational Meeting of the Board of Directors.
 - 1) Oriented new directors
 - 2) Elected officers
 - 3) Discussed future roll of LOTS
- b. Published and distributed two Newsletters to inform District members of activities, market their businesses and encourage involvement.
- c. The LOTS Website has been update to include more information on the District and provide more information to members and others seeking information. The site includes LOTS activities, calendar of events, list of LOTS member businesses and contact information.
- d. LOTS sponsored and supported the Celebrate Downtown Lancaster (CDL) series conducted in 2007. LOTS has Director representation to provide assistance on planning and support where needed and Director's were present for all the events. CDL has proven to bring greater visibility to the Downtown District and has a direct and positive benefit to the Downtown businesses.
- e. LOTS held two mixers to network LOTS members, discuss LOTS mission and goals, provide updates on the progress on the Downtown Specific Plan, and garner member input on the direction of LOTS. The events were very successful and provided the foundation for greater member involvement in the success of the Downtown District with expected implementation of the Downtown Specific Plan.
- f. Participated in the Lancaster Branding initiative and activities. LOTS has fully supported the Lancaster Branding initiative. LOTS will evaluate the use

of this initiative in future marketing applications. This will be beneficial for the District in order to brand the Downtown District this area as a destination location.

- g. LOTS was on target and on schedule to host the annual Hospitality Walk on Lancaster Blvd. Unfortunately, weather was not conducive to for this type of venue and it was determined to cancel the event. LOTS felt that to go forward would be costly without benefit to the District or the very few participants who may have attended. This did create some complaints but the majority of those complaints understood the reasoning once it was explained. LOTS does plan to continue this event this year.
- h. Financial Report – See attachment

LANCASTER OLD TOWN SITE
Income Statement
For the Nine Months Ending March 31, 2008

	Current Month Actual	Current Month Budget	Current Budget Difference	Year to Date Actual	Year to Date Budget	YTD Budget Difference
Revenues						
City Assessments	\$ 0.00	\$ 0.00	\$ 0.00	\$ 27,758.75	\$ 27,000.00	758.75
Signs	0.00	0.00	0.00	100.00	0.00	100.00
Promotion Participation	0.00	0.00	0.00	0.00	0.00	0.00
Sponsorships	0.00	0.00	0.00	0.00	200.00	(200.00)
Hospitality Walk	0.00	0.00	0.00	530.00	500.00	30.00
Other Misc Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenues	0.00	0.00	0.00	28,388.75	27,700.00	688.75
Expenses, Cost of Services						
Promotions	0.00	0.00	0.00	1,656.38	0.00	1,656.38
Economic Revitalization	0.00	0.00	0.00	3,500.00	0.00	3,500.00
Marketing	0.00	250.00	(250.00)	1,375.00	2,250.00	(875.00)
Directors/Presidents Expense	0.00	75.00	(75.00)	59.54	675.00	(615.46)
Downtown Specific Plan	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)
Newletter/Directory	0.00	0.00	0.00	102.80	0.00	102.80
Website	0.00	75.00	(75.00)	180.00	675.00	(495.00)
Miscellaneous	0.00	50.00	(50.00)	0.00	450.00	(450.00)
Legislative	0.00	100.00	(100.00)	0.00	900.00	(900.00)
Hospitality Walk	0.00	0.00	0.00	3,603.46	0.00	3,603.46
Publications	0.00	500.00	(500.00)	0.00	2,100.00	(2,100.00)
Events	0.00	100.00	(100.00)	71.52	5,100.00	(5,028.48)
Education & Training	0.00	0.00	0.00	0.00	1,500.00	(1,500.00)
Total Cost of Sales	0.00	1,150.00	(1,150.00)	10,548.70	14,650.00	(4,101.30)
Gross Profit	0.00	(1,150.00)	1,150.00	17,840.05	13,050.00	4,790.05

**INCOMPLETE
WORK PRODUCT**

LANCASTER OLD TOWN SITE
Income Statement
For the Nine Months Ending March 31, 2008

	Current Month Actual	Current Month Budget	Current Budget Difference	Year to Date Actual	Year to Date Budget	YTD Budget Difference
Expenses						
AV Chambers Foundation	0.00	0.00	0.00	11,568.87	10,530.00	1,038.87
Accounting	0.00	0.00	0.00	469.00	0.00	469.00
Bank charges	0.00	0.00	0.00	0.00	0.00	0.00
Dues & Subscriptions	0.00	0.00	0.00	200.00	0.00	200.00
Equipment Rental/Lease	0.00	0.00	0.00	0.00	0.00	0.00
Insurance - General	0.00	0.00	0.00	1,356.25	0.00	1,356.25
Licenses	0.00	0.00	0.00	0.00	0.00	0.00
Office Expenses	0.00	0.00	0.00	311.21	0.00	311.21
Repairs & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Rent	0.00	0.00	0.00	0.00	0.00	0.00
Seminars	0.00	0.00	0.00	0.00	0.00	0.00
Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Telephone	0.00	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	0.00	0.00	0.00	0.00	0.00
Franchise Tax Board	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenses	0.00	0.00	0.00	13,915.33	10,530.00	3,385.33
Other Income						
Interest Income	0.00	50.00	(50.00)	274.44	450.00	(175.56)
Total Other Income	0.00	50.00	(50.00)	274.44	450.00	(175.56)
Net Income	\$ 0.00	\$ (1,100.00)	\$ 1,100.00	\$ 4,199.16	\$ 2,970.00	\$ 1,229.16

**INCOMPLETE
WORK PRODUCT**

See Accountant's Compilation Report

LANCASTER OLD TOWN SITE

Balance Sheet
March 31, 2008

ASSETS

Current Assets

Cash in Bank - General	\$	31,471.39
Cash in Bank - Savings		11,196.99

Total Current Assets		42,668.38
----------------------	--	-----------

Property and Equipment

Total Property and Equipment		0.00
------------------------------	--	------

Other Assets

Total Other Assets		0.00
--------------------	--	------

Total Assets	\$	42,668.38
--------------	----	-----------

LIABILITIES AND CAPITAL

Current Liabilities

Total Current Liabilities		0.00
---------------------------	--	------

Long-Term Liabilities

Total Long-Term Liabilities		0.00
-----------------------------	--	------

Total Liabilities		0.00
-------------------	--	------

Capital

Fund Balance	\$	38,469.22
Net Income		4,199.16

Total Capital		42,668.38
---------------	--	-----------

Total Liabilities & Capital	\$	42,668.38
-----------------------------	----	-----------

INCOMPLETE
WORK PRODUCT

