

SHEET 2

AVENUE J-12

57TH STREET WEST

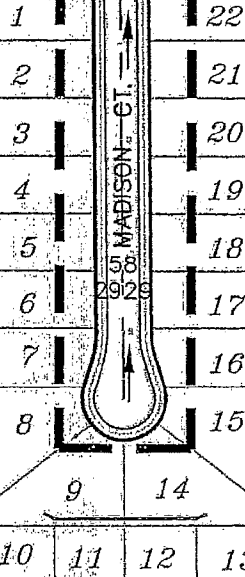
EXIST TRACT 54401

SHEET 4

MADISON CT.

VACANT LAND

56TH STREET WEST



SHEET 3

AVENUE J-15

57TH STREET WEST

SHEET 3



SCALE: 1"=200'

TRACT 061542

KEY MAP

UNDERTAKING AGREEMENT

(SUBDIVISION IMPROVEMENTS)

TRACT NO. 61542 PARCEL MAP NO. \_\_\_\_\_

THIS AGREEMENT made this 10<sup>TH</sup> day of JULY, 20 08 by and between the City of Lancaster, (the "City") and AVE K 22, LLC, (the "Subdivider").

RECITALS

A. The City approved Tentative Map 61542 on 11-21-05 (the "Tentative Map"), subject to certain conditions of approval set forth in Resolution No. 05-75, which conditions include construction of certain public improvements as set forth hereinbelow.

B. Subdivider anticipates requesting approval of the final subdivision map (the "Map") prior to the fulfillment of all conditions of approval of the Tentative Map, specifically, prior to construction and completion of improvements, including all streets, highways or public ways, grading, fences and public utility facilities which are a part of, or appurtenant to, the subdivision (the "Subdivision") designated in the Tentative Map, all in accordance with, and as required by, the plans and specifications for all or any of said improvements in, appurtenant to, or outside the limits of subdivision, which plans and specifications are now in the office of the City Engineer and which are hereby referred to and incorporated herein as though set forth in full.

C. This Agreement is executed pursuant to the provisions of the Subdivision Map Act of the State of California and applicable City ordinances.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and of the approval of the Map and of the acceptance of the dedications therein offered, and in order to insure satisfactory performance by Subdivider of Subdivider's obligations under said Subdivision Map Act and said ordinance, the parties agree as follows:

1. Performance of Work

Subdivider, at its sole cost and expense, will improve Tract No. 61542 Parcel Map No. \_\_\_\_\_ by the grading and paving of streets, construction of curbs and gutters, crossgutters and sidewalks, installation of drainage and sanitary sewerage facilities, provision of an underground utility and street lighting system, installation of street signs, parkway trees, a water system and all related facilities, and such other improvements required by the ordinances of the City and/or the City Council in the approval of said Tentative Map, together with appurtenances, contingencies and engineering costs and as more particularly shown in the improvement plans for said Tentative Map (the "Improvements"). Subdivider will do all work and furnish all materials necessary, in the opinion of the City Engineer, to complete said Improvements in accordance with the plans and specifications on file in the office of the City Engineer or with any changes or modifications required or ordered by the City Engineer which, in his opinion, are necessary or required to complete the Improvements (the "Work"). Subdivider shall maintain the Improvements

and adjacent public facilities clear of all debris, weeds, and other materials which inhibit the performance of the Improvements or become a public nuisance. Should the Subdivider fail to act promptly in accordance with this requirement the City may, at its option, perform the necessary work and the Subdivider shall pay to the City the actual cost of such maintenance plus fifteen (15) percent.

2. **Work; Places and Grades to be Fixed by Engineer**

All of said Work is to be done at the places, of the materials, in the manner and at the grades, all as shown upon the plans and specifications therefor, heretofore approved by City Engineer and which are now on file in his office, and to the satisfaction of said City Engineer.

3. **Time of Essence - Extension**

Time is of the essence with respect to the performance by Subdivider of each and every obligation and condition of this Agreement; provided, that in the event good cause is shown therefor, the City Council may in its sole and absolute discretion extend the time for completion of the improvements hereunder. Any such extension may be granted without notice to any surety securing all or any portion of Subdivider's obligations hereunder (a "Surety"), and extensions so granted shall not relieve any Surety of its liability under the Improvement Security or Monument Security (as hereinafter defined) or this Agreement to guarantee the faithful performance of this Agreement. The City Council shall be the sole and final judge as to whether or not good cause has been shown to entitle Subdivider to an extension.

4. **Repairs and Replacements**

Subdivider shall replace, or have replaced, or repair, or have repaired, as the case may be, all survey monuments, shown on the Tentative Map which have been damaged, disturbed, or destroyed, and shall replace, or have replaced, repair, or have repaired, as the case may be, or pay to the owner, the entire cost of replacement or repairs, of any and all property damaged or destroyed by reason of any work done hereunder. Any such repair or replacement or payment pursuant to this Section 4 shall be to the satisfaction of and subject to the approval of the Director of Public Works.

5. **Permits: Compliance with Law**

Subdivider shall, at Subdivider's expense, obtain all necessary permits and licenses for the construction of such Improvements, give all necessary notices and pay all fees and taxes required by law.

6. **Supervision by Subdivider**

Subdivider shall personally supervise the Work on said Improvements, or have a competent foreman or superintendent on the Work at all times during progress, with authority to act for Subdivider.

7. Inspection by City

City shall have the right at all times during performance of the Work to enter onto the Subdivision as necessary, and without charges or fees, to inspect the Work, so long as City representatives comply with all safety rules.

Subdivider shall at all times maintain proper facilities, and provide safe access for inspection by City, to all parts of the Work, and to the shops wherein the Work is in preparation. Inspection by the City or City representatives shall not constitute acceptance by the City nor shall such inspection result in a waiver.

8. Improvement Security

Concurrently with the execution hereof, Subdivider shall deposit with City an adequate and satisfactory improvement security which fully secures all the Subdivider's obligations under this Agreement (the "Improvement Security") in accordance with the provisions of Section 66499 of the Government Code of California, the City of Lancaster Subdivision Ordinance, Sections 16.32.020 of the Lancaster Municipal Code, and this Section. The Improvement Security shall be executed by a surety acceptable to the City and shall include the following: (1) security in an amount equal to at least one hundred (100) percent of the estimated cost of Improvements (as evidenced by a Bond Estimate Form approved by the City Engineer), including City inspection costs and costs of enforcement of this Agreement (the "Cost of Improvements") as security for the faithful performance of this Agreement; (2) separate security in an amount equal to at least fifty (50) percent of the estimated Cost of Improvements as security for the payment of all persons performing labor and furnishing materials in connection with this Agreement; and (3) security in the amount of ten (10) percent of the Cost of Improvements to guarantee the Improvements against defective work, labor or material for one (1) year following City's acceptance of the Improvements (which may be provided by a retention provision in the security as set forth in Section 9). If, at any time after deposit of the Improvement Security, the surety on said securities is no longer acceptable to the City, Subdivider agrees to replace said securities with securities of equal or greater value or penal sum, issued by an acceptable surety within ten days after receiving notice that said surety is unacceptable.

9. Retention of Improvement Security

Unless otherwise provided for under the Improvement Security, the City shall retain at least ten (10) percent of the Improvement Security for faithful performance for a period of one (1) year after final acceptance of the work performed under this Agreement, to guarantee corrective work throughout the warranty period described in Section 12 herein. The security for payment of labor and materials shall be retained by City for a period of ninety (90) days after final acceptance of the Improvements, after which the security for payment of labor and materials may be reduced to an amount equal to the amount of all claims, for which claims of lien have been recorded and notice given in writing to the City Council. The retained portion of the security for payment of labor and materials shall continue to be retained until the settlement of all such claims and obligations for which security was given.

**10. Monument Security**

Concurrently with the execution hereof, Subdivider shall deposit with City a cash deposit or cashiers check in the amount of SIX THOUSAND AND FIFTY Dollars (\$ 6,050.00 ) ("Monument Security") as security for the faithful performance of all work of setting monuments and as security for the payment of the engineer(s) or surveyor(s) who set said monuments. If Subdivider refuses or fails to complete the work of setting monuments, or if Subdivider refuses or fails to pay the engineer(s) or surveyor(s) for setting the monuments, the City shall have the right to expend all, or a portion of, the Monument Security without notice to Subdivider, for purposes of completing the setting of said monuments and/or paying said engineer(s) or surveyor(s). The Monument Security shall be retained by City until all of the following conditions have been met: (1) all work of setting monuments has been completed, (2) all work of setting monuments has been approved and accepted by City Council, and (3) City has received written verification from surveyor(s) or engineer(s) that he/she/they have been paid in full for such work.

**11. Hold-Harmless Agreement**

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

**12. Warranty, Repair or Reconstruction of Defective Work**

Subdivider warrants that all Work and Improvements shall be free from defects in material or workmanship and shall perform satisfactorily for a period of one (1) year from the date on which the City accepts the Work and Improvements as complete in accordance with the plans and specifications approved by the City Engineer. If, within a period of one year after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Subdivider, or any of the work done under this Agreement, fails to fulfill any of the requirements of the Agreement or the specifications referred to herein, Subdivider shall, without delay and without cost to City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should Subdivider fail to act promptly or in accordance with this requirement, or should the exigencies of the case require repairs or replacements to be made before Subdivider can be

notified, City may, at its option, make the necessary repairs or replacements or perform the necessary work and Subdivider shall pay to the City the actual cost of such repairs plus fifteen (15) percent.

13. **Subdivider Not Agent of City**

Neither Subdivider nor any of the Subdivider's agents or contractors are or shall be considered to be agents of City in connection with the performance of Subdivider's obligations under this Agreement.

14. **Cash Charges**

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

15. **Notice of Breach and Default**

Subdivider shall be in default of this Agreement if Subdivider refuses or fails to commence and diligently prosecute to completion the Work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extensions thereof, or fails to obtain completion of said Work within such time or if the Subdivider should be adjudged a bankrupt, or if the Subdivider should make a general assignment for the benefit of Subdivider's creditors, or if a receiver should be appointed in the event of Subdivider's insolvency, or if Subdivider, or any of Subdivider's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement. In such case, City Engineer or City Council may serve written notice upon Subdivider and Subdivider's surety in accordance with Section 23, of Subdivider's default.

16. **Default Remedies: Performance by Surety or City**

In the event of any such notice of default, Subdivider's surety shall have the duty to take over and complete the Work and the Improvements herein specified; provided, however, that if the surety, within five (5) days after the serving upon it of such notice of default, does not give City written notice of its intention to take over the performance of said Work or does not, within five (5) days after giving City notice of such election, commence to complete the Work, City may take over the work and prosecute the same to completion, by contract or by any other method City may deem advisable, for the account and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any costs or damages occasioned City thereby; and, in such event, City, without liability for so doing, may take possession of, and utilize in completing the Work, such materials, appliances, plant and other property belonging to Subdivider as may be on the site of the Work and necessary therefor.

17. Emergencies

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

18. Completion

Subdivider shall complete all of said Work within two (2) years of approval of the Map or within such further time as may be granted by the City Council.

19. Attorney's Fees

In addition to any other amounts to be paid by Subdivider hereunder, Subdivider shall pay all costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing the Improvement Security furnished by Subdivider hereunder.

20. Alteration of Agreement

Subdivider hereby stipulates and agrees that no addition, alterations or modifications to this Agreement or to the plans and specifications referred to herein, including any extension of time within which the Work hereunder may be completed, shall in any way affect its obligations on the Improvement Security furnished hereunder. Subdivider does hereby waive notice of any addition, alterations or modifications and further stipulates and agrees that it shall have no right to dispute the propriety of any demand made by the City for the payment of the Improvement Security furnished hereunder.

21. Surety to Include Issuer of Letter of Credit

The term surety as used herein shall include the issuer of any letter of credit which is acceptable to the City as Improvement Security under this Agreement.

22. Severability

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

23. Notices

All notices and other communications hereunder shall be in writing and mailed or personally delivered to the appropriate party at the address set forth in this Section 23, or, as to any party, at any other address in the State of California as shall be designated by it in a written notice sent to the other party.

**To City:** City of Lancaster  
44933 North Fern Avenue  
Lancaster, CA 93534-2461  
Attention: City Engineer

**To Subdivider:** AVE K 22, LLC  
3438 ARLINGTON AVE  
LOS ANGELES CA 90018  
Attention: MELVIN HOOKS  
Telephone No. (323) 734-3483

24. Successors and Assigns

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

25. Headings

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

26. Law

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

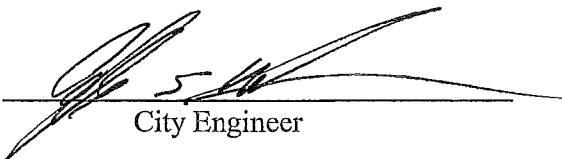


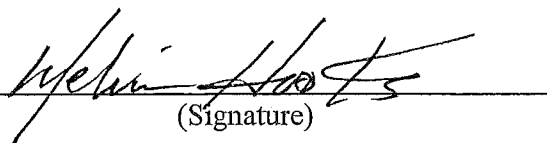
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

**APPROVED:**

**CITY OF LANCASTER**

**SUBDIVIDER**

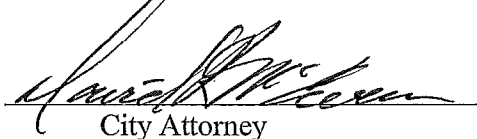
By:   
City Engineer

  
(Signature)

MANAGING MEMBER  
(Office Held)

AVE K 22, LLC  
Partnership or Corporation  
represented, if applicable

**APPROVED AS TO FORM:**

By:   
City Attorney

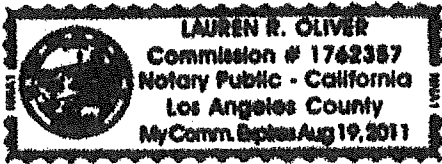
**ALL SIGNATURES MUST BE ACKNOWLEDGED BY NOTARY**

STATE OF CALIFORNIA )  
 )  
COUNTY OF Los Angeles ) ss.  
 )

On July 10, 2008, before me, Lauren R. Oliver, Notary Public,  
(Print Name of Notary Public)  
personally appeared Melvin Andre Hooks

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]  
Signature of Notary Public

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- Individual
- Corporate Officer

Undertaking Agreement  
Title Or Type Of Document

\_\_\_\_\_  
Title(s)

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

8

Number Of Pages

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

July 10, 2008  
Date Of Documents

\_\_\_\_\_  
Signer(s) Other Than Named Above

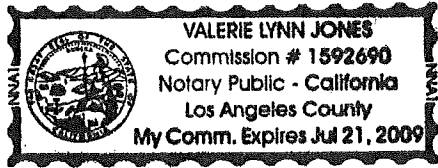
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of LOS ANGELES

On July 24, 2008 before me, VALERIE LYNN JONES, Notary Public

personally appeared CARLYLE S. WORKMAN



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 Valerie Lynn Jones

Place Notary Seal Above

OPTIONAL

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

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

Name of Notary VALERIE LYNN JONES

Date Commission Expires JULY 21, 2009

Notary Identification Number 1592690

Manufacturer/Vendor Identification Number NNA1

Place of execution of this Declaration LOS ANGELES COUNTY

Date 7/24/08 Valerie Lynn Jones Signature

DESCRIPTION OF THE ATTACHED DOCUMENT
UNDERTAKING AGREEMENT
Title or description of attached document
TA. 61542
Title or description of attached document continued
Number of Pages Document Date
3 OF 3 ORIGINAL
Additional information

CAPACITY CLAIMED BY THE SIGNER
[X] Individual (s)
[ ] Corporate Officer
[ ] Partner(s)
[ ] Attorney-in-Fact
[ ] Trustee(s)
[ ] Other

RECORDING REQUESTED BY )  
AND WHEN RECORDED MAIL TO: )  
)  
City of Lancaster )  
44933 North Fern Avenue )  
Lancaster, California 93534 )  
Attn: Executive Director )  
)

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

**MAINTENANCE AGREEMENT**

**THIS MAINTENANCE AGREEMENT** (this "Maintenance Agreement") is made this 10<sup>TH</sup> day of JULY, 2008, by and between the **CITY OF LANCASTER**, a California municipal corporation (the "City"), and AVE K 22, LLC, a ~~LIMITED LIABILITY COMPANY~~ (the "Subdivider"), with reference to the following:

**RECITALS**

A. The City and the Subdivider have executed an Undertaking Agreement (the "Agreement"), dated as of JULY 10, 2008, which provides for the development and construction of certain improvements (the "Improvements") on certain real property located in the City of Lancaster, California, more fully described in Exhibit "A" attached hereto and incorporated herein (the "Site"). The Agreement is available for public inspection and copying at the office of the City Clerk, Lancaster City Hall, 44933 North Fern Avenue, Lancaster, California. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the Agreement.

B. The Agreement, as amended, provides for, among other things, the Subdivider's maintenance of the Site and Improvements in accordance with specified standards. Execution of this Maintenance Agreement is required under the terms of the Agreement, as amended.

**NOW, THEREFORE**, the Subdivider and the City hereby agree as follows:

**1. Performance of Maintenance.**

(a) Subdivider shall maintain the Site and the Improvements in accordance with the Maintenance Standards, as hereinafter defined. Said improvements shall include, but not be limited to, buildings, sidewalks, pedestrian lighting, landscaping, irrigation of landscaping, architectural elements identifying the Site and any and all other improvements on the Site.

(b) To accomplish the maintenance, Subdivider shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Maintenance Agreement.

(c) The following standards ("Maintenance Standards") shall be complied with by Subdivider and its maintenance staff, contractors or subcontractors:

(i) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(ii) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and all other areas in clean; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; removal of graffiti within seventy-two (72) hours of discovery; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(iii) All maintenance work shall conform to all applicable federal and state Occupational Safety and Health Act standards and regulations for the performance of maintenance.

(iv) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied in strict accordance with all governing regulations. Precautionary measures shall be employed recognizing that all areas are open to public access.

(v) The Site and Improvements shall be maintained in conformance and in compliance with the approved Site construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of the City, and reasonable commercial development maintenance standards for similar projects, including but not limited to: painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curblin.

(vi) The Site and Improvements shall be maintained as required by this Section 2 in good condition and in accordance with the custom and practice generally applicable to similar developments and/or projects located in Los Angeles County, California.

**3. Failure to Maintain Site and Improvements.** In the event Subdivider does not maintain the Site or the Improvements in the manner set forth herein and in accordance with the Maintenance Standards, City shall have the right to maintain such private and/or public improvements, or to contract for the correction of such deficiencies, after written notice to Subdivider. However, prior to taking any such action, City agrees to notify Subdivider in writing if the condition of said improvements do not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by Subdivider to cure the deficiencies. Upon notification of any maintenance deficiency, Subdivider shall have ten (10) days within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to the public health and safety of the City, then Subdivider shall have forty-eight (48) hours to rectify the problem.

In the event Subdivider fails to correct, remedy, or cure or has not commenced correcting, remedying or curing such maintenance deficiency after notification and after the period of correction has lapsed, then City shall have the right to maintain such improvements. Subdivider agrees to pay City such charges and costs. Until so paid, the City shall have a lien on the Site for the amount of

such charges or costs, which lien shall be perfected by the recordation of a "Notice of Claim of Lien" against the Site. Upon recordation of a Notice of a Claim of Lien against the Site, such lien shall constitute a lien on the fee estate in and to the Site prior and superior to all other monetary liens except: (i) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto; (ii) the lien or charge of any mortgage, deed of trust, or other security interest then of record made in good faith and for value, it being understood that the priority of any such lien for costs incurred to comply with this Agreement shall date from the date of the recordation of the Notice of Claim of Lien. Any such lien shall be subject and subordinate to any lease or sublease of the interest of Subdivider in the Site or any portion thereof and to any easement affecting the Site or any portion thereof entered into at any time (either before or after) the date of recordation of such a Notice. Any lien in favor of the City created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed of trust made in good faith and for value, recorded as of the date of the recordation of the Notice of Claim of Lien describing such lien as aforesaid, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust, unless the mortgage or beneficiary thereunder expressly subordinates his interest, of record, to such lien. No lien in favor of the City created or claimed hereunder shall in any way defeat, invalidate, or impair the obligation or priority of any lease, sublease or easement unless such instrument is expressly subordinated to such lien. Upon foreclosure of any mortgage or deed of trust made in good faith and for value and recorded prior to the recordation of any unsatisfied Notice of Claim of Lien, the foreclosure-purchaser shall take title to the Site free of any lien imposed by the City that has accrued up to the time of the foreclosure sale, and upon taking title to the Site, such foreclosure-purchaser shall only be obligated to pay costs associated with this Agreement accruing after the foreclosure-purchaser acquires title to the Site. If the Site is ever legally divided with the written approval of the City and fee title to various portions of the Site is held under separate ownerships, then the burdens of the maintenance obligations set forth herein and in this Agreement and the charges levied by the City to reimburse the City for the cost of undertaking such maintenance obligations of Subdivider and its successors and the lien for such charges shall be apportioned among the fee owners of the various portions of the Site under different ownerships according to the square footage of the land contained in the respective portions of the Site owned by them. Upon apportionment, no separate owner of a portion of the Site shall have any liability for the apportioned liabilities of any other separate owner of another portion of the Site, and the lien shall be similarly apportioned and shall only constitute a lien against the portion of the Site owned in fee by the owner who is liable for the apportioned charges levied by the City and secured by the apportioned lien and against no other portion of the Site. Subdivider acknowledges and agrees City may also pursue any and all other remedies available in law or equity. Subdivider shall be liable for any and all attorneys' fees, expert witness fees and other legal costs or fees incurred in collecting said maintenance costs.

**4. Compliance with Law.** Subdivider shall comply with all local, state and federal laws relating to the uses of or condition of the Site and the Improvements.

**5. Effect of Violation of the Terms and Provisions of this Maintenance Agreement.** The covenants established in this Maintenance Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City, its successors and assigns, as to those covenants which are for its benefit. The covenants contained in this Maintenance Agreement shall remain in effect for the periods of time specified therein. The City is deemed the beneficiary of the terms and provisions of this Maintenance 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 Maintenance Agreement and the covenants running with the land have been provided. This

Maintenance Agreement and the covenants herein shall run in favor of the City, without regard to whether the City has been, remains or is an owner of any land or interest therein in the Site. The City shall have the right, if this Maintenance Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Maintenance Agreement and covenants may be entitled; provided, however, that notwithstanding the foregoing, in no event shall the City be entitled to foregone past or future tax revenues as a remedy for Subdivider's default of this Maintenance Agreement.

**6. Miscellaneous Provisions.**

a. If any provision of this Maintenance Agreement or portion thereof, or the application to any person or circumstances, shall to any extent be held invalid, inoperative or unenforceable, the remainder of this Maintenance Agreement, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Maintenance Agreement; and each provision of this Maintenance Agreement shall be valid and enforceable to the fullest extent permitted by law.

b. This Maintenance Agreement shall be construed in accordance with the laws of the State of California.

c. This Maintenance Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Subdivider.

d. In the event action is instituted to enforce any of the provisions of this Maintenance Agreement, the prevailing party in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorney's fees and costs.

**7. Effect of Maintenance Agreement.** The covenants and agreements established in this Maintenance Agreement shall, without regard to technical classification and designation, run with the land and be binding on each owner of the Site and any successor in interest to the Site, or any part thereof (including each parcel thereof), for the benefit of and in favor of the City of Lancaster and its successor and assigns.

**8. Term of Maintenance Agreement.** This Maintenance Agreement shall be effective as of the day and year first above written and shall terminate upon termination and/or expiration of the Agreement. Any extension or other modification to the term of the Agreement shall be deemed to also constitute an extension and/or modification of the term of this Maintenance Agreement. Under no circumstances shall the term of this Maintenance Agreement exceed the term of the Agreement.

**9. Security.** Subdivider shall file security with the City contemporaneous with the Subdivider's execution of this Maintenance Agreement (the "Security"). The amount of Security required shall be TWENTY-TWO THOUSAND Dollars (\$ 22,000.00).

The Security shall consist of one of the following types: (i) a deposit with the City of money or negotiable bonds of the kind approved for securing deposits of public money; (ii) an irrevocable instrument of credit from one or more financial institutions subject to regulation by the state or

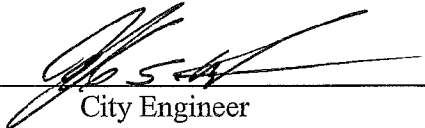
federal government and pledging that the funds necessary to carry out the obligations of this Maintenance Agreement are on deposit and guaranteed for payment; or (iii) a irrevocable standby letter of credit from one or more financial institutions subject to regulation by the state or federal government.

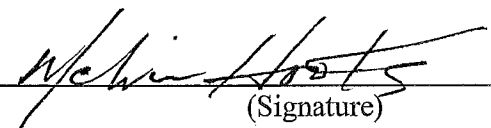
The Security shall remain in effect for the term of the Maintenance Agreement as set forth in Section 8. Upon expiration of this Maintenance Agreement, the City shall release the Security to the extent that Security still remains. The Security shall not be released if any timely asserted claims against the Security are outstanding.

IN WITNESS WHEREOF, the parties hereto has executed this instrument the day and year first hereinabove written.

**CITY OF LANCASTER**

**SUBDIVIDER**


By:   
City Engineer

  
(Signature)

MANAGING MEMBER  
(Office Held)

AVE K 22, LLC  
Partnership or Corporation  
represented, if applicable

**APPROVED AS TO FORM:**

By:   
City Attorney



STATE OF CALIFORNIA )

COUNTY OF )

Los Angeles )

ss.

On July 10, 2008, before me, Lauren R. Oliver, Notary Public,  
(Print Name of Notary Public)

personally appeared Melvin Andre Hooks

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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



WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

- Individual
Corporate Officer

DESCRIPTION OF ATTACHED DOCUMENT

Main Tenance Agreement
Title Or Type Of Document

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

5
Number Of Pages

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

July 10, 2008
Date Of Documents

Signer(s) Other Than Named Above

EXHIBIT "A"

PROPERTY DESCRIPTION

[To Be Attached]

Parcel 1

Parcel 14, in the City of Lancaster, County of Los Angeles, State of California, as shown on Record of Survey filed in Book 72 Page(s) 15 of Record of Surveys, in the office of the County Recorder of said county

Except therefrom one-half of all oil, gas petroleum, minerals, coals and hydrocarbon substances in and under said land if any, as reserved by C M Investment Co , Inc , a Corporation, in deed recorded May 14, 1958 as Instrument No 1636

Parcel B

Parcel 15, in the City of Lancaster, County of Los Angeles, State of California, as shown on Record of Survey filed in Book 72 Page(s) 15 of Record of Surveys, in the office of the County Recorder of said county

Except therefrom one-half of all oil, gas petroleum, minerals, coals and hydrocarbon substances in and under said land if any, as reserved by C M Investment Co , Inc , a Corporation, in deed recorded May 14, 1958 as Instrument No 1642

Assessor's Parcel No 3203-017-014 & 015

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of LOS ANGELES

On JULY 24, 2008 before me, VALERIE LYNN JONES, Notary Public,  
Date Here Insert Name and Title of the Officer

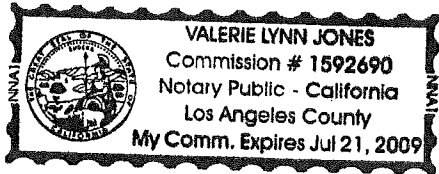
personally appeared CARLYLE S. WORKMAN  
Name(s) of Signer(s)

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 Valerie Lynn Jones  
Signature of Notary Public



Place Notary Seal Above

**OPTIONAL**

**ILLEGIBLE NOTARY SEAL DECLARATION**

GOVERNMENT CODE 27361.7

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

Name of Notary VALERIE LYNN JONES

Date Commission Expires JULY 21, 2009

Notary Identification Number 1592690  
(For notaries commissioned after 1/01/1992)

Manufacturer/Vendor Identification Number NNA1  
(For notaries commissioned after 1/01/1992)

Place of execution of this Declaration LOS ANGELES COUNTY

Date 7/24/08 Valerie Lynn Jones  
Signature

**DESCRIPTION OF THE ATTACHED DOCUMENT**

MAINTENANCE AGREEMENT  
(Title or description of attached document)

2 OF 3 ORIGINALS  
(Title or description of attached document continued)

Number of Pages \_\_\_\_\_ Document Date \_\_\_\_\_

\_\_\_\_\_  
(Additional information)

**CAPACITY CLAIMED BY THE SIGNER**

Individual (s)  
 Corporate Officer

\_\_\_\_\_  
(Title)

Partner(s)  
 Attorney-in-Fact  
 Trustee(s)  
 Other \_\_\_\_\_