



**City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority**

AGENDA

Wednesday

Regular

**Closed Session 5:30 p.m.
Regular Session 6:00 p.m.**

February 4, 2015

**City Hall
100 West California Avenue
Ridgecrest CA 93555**

(760) 499-5000

**Peggy Breeden, Mayor
James Sanders, Mayor Pro Tempore
Lori Acton, Vice Mayor
Eddie B. Thomas, Council Member
Mike Mower, Council Member**

This Page Intentionally Left Blank



LAST ORDINANCE NO. 15-01
LAST RESOLUTION CITY COUNCIL NO. 15-09
LAST RESOLUTION FINANCING AUTHORITY NO. 15-xx
LAST RESOLUTION OF THE HOUSING AUTHORITY NO. 15-xx
LAST RESOLUTION OF THE SUCCESSOR REDEVELOPMENT AGENCY NO. 15-xx

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Regular Council
Wednesday February 4, 2015

CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555

Closed Session – 5:30 p.m.
Regular Session – 6:00 p.m.

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at <http://ci.ridgecrest.ca.us>

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT – CLOSED SESSION

AGENDA - CITY COUNCIL - REGULAR

February 4, 2015

Page 2

CLOSED SESSION

- GC54956.9 (d) (1) Conference With Legal Counsel – Existing Litigation – Balfour v. City Of Ridgecrest
- GC54956.9 (d) (4) Conference With Legal Counsel – Potential Litigation – Public Disclosure Of Potential Litigant Would Prejudice The City Of Ridgecrest
- GC54956.8 Local Agency Real Property Negotiations – Negotiations For Lease Or Purchase – Leroy Jackson Park – Agency Negotiators City Manager Dennis Speer And Pars Supervisor Jason Patin

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PUBLIC COMMENT

PRESENTATIONS

1. Council Presentation Of A Proclamation Declaring The Month Of February As Safely Surrendered Baby Month Ford
2. Presentation Of The City Of Ridgecrest Comprehensive Annual Financial Report (CAFR) By Kenneth Pun McQuiston

CONSENT CALENDAR

3. Adopt A Resolution Of The Ridgecrest City Council Authorizing The Application For And Acceptance Of The East Kern Air Pollution Control District – Department Of Motor Vehicle Emission Reduction Program Grant Strand
4. Adopt A Resolution Of The Ridgecrest Redevelopment Agency Successor Agency Approving The Recognized Obligation Payment Schedule (ROPS) 2015-16A Parsons

AGENDA - CITY COUNCIL - REGULAR

February 4, 2015

Page 3

5. Adopt A Resolution Of The City Of Ridgecrest City Council And The Ridgecrest Successor Redevelopment Agency Authorizing The Modification Of A Disposition And Development Agreement (DDA) Dated 11/02/06 With CNM Holdings 1 Ltd. / K Partners And Authorizing The City Manager Or His Designee To Negotiate And Execute Any Needed Documents Parsons
6. Adopt A Resolution Authorizing The City Manager To Sign The Notice Of Completion, Authorizing The City Clerk To File The Notice Of Completion And Authorizing The Release Of Retention On The South China Lake Boulevard Project: Upjohn Avenue To Bowman Avenue Speer
7. Adopt A Resolution Of The Ridgecrest City Council Accepting A Right Of Way Agreement And Offer Of Dedication From Chaudhry A. Razaq And Shamin A. Razaq For APN 477-010-07, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The Mayor To Sign The Escrow Instructions And Certificate Of Acceptance, And Authorizing The Mayor And City Manager To Sign The Right Of Way Agreement And Approve And Allocation Of \$32,187.00 For Fee Interest In The Dedicated Portion Of The Parcel Speer
8. Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated January 21, 2015 Ford

ORDINANCES

9. Waive Reading In Full And Introduce By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code Chapter 6, Article 24 With Regard To License Tax Rates And Classifications McQuiston

COMMITTEE REPORTS

City Organization and Services Committee

Members: Lori Acton; Mike Mower
Meeting: 4th Wednesday each month at 5:00 p.m.
Location: Council Conference Room B

AGENDA - CITY COUNCIL - REGULAR

February 4, 2015

Page 4

Infrastructure Committee

Members: Jim Sanders; Mike Mower
Meeting: 2nd Thursday each month at 5:00 p.m.
Location: Council Conference Room B

❖ **Ad Hoc Water Conservation Committee**

Members: Jim Sanders; Peggy Breeden
Meeting: 1st Monday each month at 5:00 p.m.
Location: Conference Room B

Parks, Recreation, and Quality of Life Committee

Members: Eddie Thomas; Lori Acton
Meeting: 1st Tuesday each month at 5:00 p.m.
Location: Kerr-McGee Center Meeting Rooms

❖ **Ad Hoc Youth Advisory Council**

Members: Eddie Thomas
Meeting: 2nd Wednesday of each month, 12:00 p.m.
Location: Kerr-McGee Center Meeting Rooms

**Activate Community Talents and Interventions For Optimal Neighborhoods
Task Force (ACTION)**

Members: Eddie Thomas; Lori Acton
Meeting: 3rd Tuesday each month at 4:00 p.m.
Location: Kerr McGee Center Meeting Rooms

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Lori Acton and Eddie Thomas
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: To Be Announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

CITY MANAGER REPORT

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

This Page Intentionally Left Blank

*A Proclamation of
The City Of Ridgecrest, California*

SAFELY SURRENDERED BABY AWARENESS MONTH

WHEREAS, The Safely Surrendered Baby Law was created in 2001 with the intent to save the lives of newborn infants at risk of abandonment by encouraging parents or persons with lawful custody to safely surrender the infant within 72 hours of birth, with no questions asked; and

WHEREAS, since the Safely Surrendered Baby Law's inception there have been 45 infants saved in Kern County and placed in loving homes; and

WHEREAS, In Ridgecrest and throughout Kern County, a newborn baby can be safely surrendered into the hands of any hospital emergency room or Fire Station staff; and

WHEREAS, The Safely Surrendered Baby Coalition, under the coordination of the Department of Human Services, works to educate Ridgecrest Citizens and all Kern County residents about this important law. The coalition is made up of a small group of dedicated individuals representing a long list of agencies, non-profits, hospitals, and stakeholders, including First Five Kern, the Kern County Fire Department, Bakersfield City Fire Department, Bakersfield Police Department, Right to Life, Kern Medical Center, Mercy & Memorial Hospitals, San Joaquin Community Hospital & Clinica Sierra Vista, to name a few.

NOW THEREFORE BE IT PROCLAIMED by the City Council of the City of Ridgecrest does hereby proclaim the month of February as Safely Surrendered Baby Awareness Month and encourages all Ridgecrest citizens to reach out and assist the Safely Surrender Baby Coalition with their endeavors.

Proclaimed this 4TH Day of February 2015

Peggy Breeden

Peggy Breeden, Mayor

James B. Sanders

***James Sanders
Mayor Pro Tem***

Lori Acton

***Lori Acton
Vice Mayor***

Eddie B. Thomas

***Eddie B. Thomas
Council Member***

Michael R. Mower

***Mike Mower
Council Member***

This Page Intentionally Left Blank

This Page Intentionally Left Blank

CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM

SUBJECT:

A Presentation of the City of Ridgecrest Comprehensive Annual Financial Report (CAFR) Report.

PRESENTED BY:

Rachelle McQuiston – Director of Finance

SUMMARY:

Kenneth Pun, Managing Partner of The Pun Group, LLP will be in attendance to present the City of Ridgecrest Comprehensive Annual Financial Report.

FISCAL IMPACT:

None

Reviewed by Finance Director

ACTION REQUESTED:

Presentation only, no action required.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

This Page Intentionally Left Blank

This Page Intentionally Left Blank

**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Grant Application for an East Kern Air Pollution Control District 2015 Department of Motor Vehicle Emission Reduction Grant .

PRESENTED BY:

Ron Strand, Chief of Police

SUMMARY:

The East Kern Air Pollution Control District is offering grant funding to the City of Ridgecrest to purchase a new energy efficient vehicle. The Police Department plans to use these funds to purchase one new Toyota Camry Hybrid LE vehicle for the Police Department/Investigations Division. The cost of the vehicle is approximately \$31,545 with grant amount of \$18,927. There is a grant match of approximately \$12,618. As a component of the grant the City will be required to remove from service and demolish an existing gas fueled 1987 Ford pickup.

If the grant is awarded the vehicle will be budgeted for purchase in FY16.

FISCAL IMPACT:

This is a reimbursement grant in the amount of \$18,927 with a required match of \$12,618.

Reviewed by Finance Director

ACTION REQUESTED:

Approval of Resolution

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: RON STRAND

Action Date: February 4, 2015

This Page Intentionally Left Blank

RESOLUTION NO. 15-XX

A RESOLUTION OF THE RIDGECREST CITY COUNCIL AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF THE EAST KERN AIR POLLUTION CONTROL DISTRICT – DEPARTMENT OF MOTOR VEHICLE EMISSION REDUCTION PROGRAM GRANT

WHEREAS, the City of Ridgecrest desires to reduce air pollutants by replacing an older vehicle with newer energy efficient, low emission vehicle through a Department of Motor Vehicle Emission Reduction Grant, and;

WHEREAS, the City's proposed grant request is for the purchase of one (1) new Toyota Camry Hybrid LE vehicle in the amount of \$31,545 with a grant match from the City in the approximate amount of \$12,618, and;

WHEREAS, the approximate grant amount reimbursed to the City would be \$18,927, and;

WHEREAS, as a component of the grant the City will be required to remove from service and demolish an existing gas fueled 1987 Ford pickup, and;

WHEREAS, if the grant is awarded the vehicle will be budgeted for purchase in FY16.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest authorizes the City Manager, or his designee, to apply for this grant with the East Kern Air Pollution Control District, Department of Motor Vehicle Emission Reduction Program, and to approve, sign and execute any and all documents relating to the grant award, including amendments, and;

BE IT FURTHER RESOLVED, that this resolution shall remain in full force and effect until a resolution of the City Council is adopted amending or rescinding this resolution,

APPROVED AND ADOPTED THIS 4th day of February, 2015, by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

This Page Intentionally Left Blank

This Page Intentionally Left Blank

**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Review And Approve Recognized Obligations Payment Schedule (ROPS 2015-16A) Of The Former Ridgecrest Redevelopment Agency And Approval Of Resolution

PRESENTED BY:

Gary Parsons

SUMMARY:

The City Council at their regular meeting of January 11, 2012 adopted Resolution No 12-02, electing to serve as the Successor Agency to the prior Ridgecrest Redevelopment Agency and making certain findings in connection therewith.

The staff has prepared the Ridgecrest Redevelopment Successor Agency Recognized Obligations Payment Schedule (ROPS 2015-16A) of the prior Ridgecrest Redevelopment Agency and is recommending approval by the Ridgecrest Successor Agency and its adoption by Resolution.

The City Council, acting as the Ridgecrest Redevelopment Agency Successor Agency is being asked to review and approve, or deny, its ROPS 2015-16A submission to the DOF. The Recognized Obligations Payment Schedule (ROPS 2015-16A) is for the period of July 1, 2015 through December 30, 2015.

The following represents the changes/modifications made to the previously approved ROPS 2014-15B:

- 1) Line 12 - legal costs – is being moved from non-admin expenditure to admin expenditure. This amount is for our Successor Agency bond counsel Stradling, Yocca and Carlson.
- 2) Line 15 - attorney fees - is being moved from non-admin expenditure to admin expenditure. This amount is for our Successor Agency legal counsel Lemieux & O'Neil handling current Agency law suits.
- 3) Line 17 - waste water loan - is being again submitted for funding. Although this obligation was approved by the DOF under the ROPS 2014-15A & 2014-15B, it was not funded in that period and is being resubmitted for funding in this ROPS period.
- 4) Line 18 - waste water loan/solar loan - this line item is being resubmitted for approval by the DOF. Although previously approved by the Successor Agency and the Oversight Board as a legitimate obligation of the Agency; it is again being submitted to the DOF for approval.
- 5) Line 28 - administrative expenses for the Ridgecrest Housing Authority - the amount is again being requested although it was denied in the agency's ROP2014-15B.

Staff will provide an overview and respond to any questions concerning the ROPS 2015-16A and recommends approval of the ROPS 2015-2016A and the attached resolution approving it for submission to the Ridgecrest Successor Agency Oversight Board and the State of California Department of Finance (DOF).

FISCAL IMPACT: Funding of Recognized Obligations of the Successor Agency

ACTION REQUESTED:

Review and approval of ROPS 2015-16A and Corresponding Resolution

Submitted by: G. Parsons
(Rev 2/13/12)

Action Date: February 4, 2015

This Page Intentionally Left Blank

RESOLUTION NO. 15-Xx

**A RESOLUTION OF THE RIDGECREST REDEVELOPMENT AGENCY
SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE (ROPS) 2015-16A**

WHEREAS, the Ridgecrest Redevelopment Successor Agency has met and has duly considered a Draft Recognized Obligation Payment Schedule (ROPS) for the period JANUARY 1, 2015 through JUNE 30, 2015 in the form submitted by the Successor Agency staff (the "Draft ROPS 15-16A"); and,

WHEREAS, prior to its meeting on FEBRUARY 4, 2015, the members of the Ridgecrest Redevelopment Successor Agency have been provided with copies of the Draft ROPS15-16A and instruments referenced in the Draft ROPS15-16A; and,

WHEREAS, the Ridgecrest Redevelopment Successor Agency has reviewed the Draft ROPS15-16A and those instruments referenced in the Draft ROPS15-16A; and,

WHEREAS, the Ridgecrest Redevelopment Successor Agency desires to express and memorialize its approval of the Draft ROPS15-16A with this Resolution.

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

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

SECTION 2. The Ridgecrest Redevelopment Successor Agency approves as the Recognized Obligation Payment Schedule for the period January 1, 2015 through June 30, 2015.

SECTION 3. The Successor Agency is authorized and directed to submit the ROPS15-16A to the Ridgecrest Oversight Board and the California Department of Finance.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the ROPS15-16A as approved hereby.

PASSED, APPROVED, AND ADOPTED at a meeting of the Ridgecrest Redevelopment Successor Agency held on this the 4th day of February, 2015 by the following vote, to wit:

Ayes:
Nays:
Absent:
Abstain:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, CMC, City Clerk

This Page Intentionally Left Blank

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Ridgecrest
Name of County: Kern

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A Sources (B+C+D):	\$ -
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,972,603
F Non-Administrative Costs (ROPS Detail)	1,847,603
G Administrative Costs (ROPS Detail)	125,000
H Current Period Enforceable Obligations (A+E):	\$ 1,972,603
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	1,972,603
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(33,188)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 1,939,415
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	1,972,603
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	1,972,603

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										M						Six-Month Total
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin												
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
								\$ 64,002,388		\$ -	\$ -	\$ -	\$ 1,847,603	\$ 125,000	\$ 1,972,603	
2	2005 COP (Building Lease)	Bonds Issued On or Before 12/31/10	11/1/2005	3/1/2026	U.S. Bank via City of	Building Lease	Ridgecrest RDA	8,216,111	N				139,519		\$ 139,519	
3	2010 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	6/2/2010	6/30/2037	U.S. Bank	Bonds issued to fund housing/non projects	Ridgecrest RDA	51,490,711	N				855,634		\$ 855,634	
4	Jail Operations/Maintenance	Miscellaneous	1/17/1990	6/30/2015	Kern County	Jail Operations/RDA settlement Agreement	Ridgecrest RDA	-	N				-		\$ -	
6	Agency held property	Property Maintenance	1/1/2014	6/30/2015	IWV Water District	Assessment District Special Tax	Ridgecrest RDA	950	N				950		\$ 950	
8	2005 COP (Building Lease)	Fees	11/1/2005	3/1/2026	BLX Group LLC	Arbitrage Analysis Report	Ridgecrest RDA	2,000	N				-		\$ -	
9	Continuing Disclosure Reporting	Fees	11/1/2005	6/30/2037	Rosenow Spevacek Group	Annual Bond Reporting Requirement	Ridgecrest RDA	5,500	N				500		\$ 500	
10	2005 COP (Building Lease)	Fees	11/1/2005	3/1/2026	U.S. Bank	Bond Administration Fee	Ridgecrest RDA	2,500	N						\$ -	
11	Project Management	Project Management Costs	7/1/2013	6/30/2015	Project Management	Bond Project Management	Ridgecrest RDA	138,000	N				69,000		\$ 69,000	
12	Legal Cost	Legal	1/1/2014	6/30/2015	Stradling Yocca, Carlson	Attorney Bond Assistance	Ridgecrest RDA	40,000	N					20,000	\$ 20,000	
13	Employee Costs	Admin Costs	1/1/2014	6/30/2015	Various City Employees	Successor Agency & Debt Administration Costs	Ridgecrest RDA	180,000	N					105,000	\$ 105,000	
15	Attorney Fees	Admin Costs	1/1/2014	6/30/2015	Lemieux & O'neil	Legal Assistance (litigating)	Ridgecrest RDA	100,000	N				50,000		\$ 50,000	
17	Wastewater Loan	City/County Loans On or Before 6/27/11	6/19/2002	6/30/2015	Ridgecrest WasteWater Fund	Loan to Build Business Park Infrastructure	Ridgecrest RDA		N						\$ -	
18	Wastewater Loan	City/County Loans On or Before 6/27/11	11/3/2010	11/3/2015	Ridgecrest WasteWater Fund	Loan to Finance Solar Park	Ridgecrest RDA	3,185,616	N				634,000		\$ 634,000	
20	2002 Tax Allocation Bonds	Fees	1/1/2014	6/30/2015	BLX Group LLC	Arbitrage Analysis Report	Ridgecrest RDA	-	N				-		\$ -	
21	2010 Tax Allocation Bonds	Fees	1/1/2014	6/30/2038	BLX Group LLC	Arbitrage Analysis Report	Ridgecrest RDA	2,500	N				2,500		\$ 2,500	
23	2010 Tax Allocation Bonds	Fees	1/1/2014	6/30/2037	U.S. Bank	Fiscal Agent Fees	Ridgecrest RDA	2,500	N				2,500		\$ 2,500	
27	PMP impletenation	Fees	12/15/2013	6/30/2015	Kosmont assoc.	Consultant Fees		36,000	N				18,000		\$ 18,000	
28	Ridgecrest Housing Authority	Admin Costs	1/1/2014	6/30/2015	Ridgecrest Housing Authortiy	Housing Agency Administration Costs allocations per AB 471		600,000	N				75,000		\$ 75,000	
29									N						\$ -	
30									N						\$ -	
31									N						\$ -	
32									N						\$ -	
33									N						\$ -	
34									N						\$ -	
35									N						\$ -	
36									N						\$ -	
37									N						\$ -	
38									N						\$ -	
39									N						\$ -	
40									N						\$ -	
41									N						\$ -	
42									N						\$ -	
43									N						\$ -	
44									N						\$ -	
45									N						\$ -	
46									N						\$ -	
47									N						\$ -	
48									N						\$ -	
49									N						\$ -	
50									N						\$ -	
51									N						\$ -	
52									N						\$ -	
53									N						\$ -	
54									N						\$ -	
55									N						\$ -	
56									N						\$ -	
57									N						\$ -	
58									N						\$ -	
59									N						\$ -	

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

(Report Amounts in Whole Dollars)

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

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 14-15A Actuals (07/01/14 - 12/31/14)									
1	Beginning Available Cash Balance (Actual 07/01/14)	23,185,550	-			3,000	288,054		
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	25,937					1,248,973		
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	3,040,658					1,235,735	Included in C3 is \$82.57 coming from the Bond Trust Account to pay portion of the authorized 2010 TAB interest payment (item 3 in PPA)	
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-		
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required						33,188	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 20,170,829	\$ -	\$ -	\$ -	\$ 3,000	\$ 268,104		
ROPS 14-15B Estimate (01/01/15 - 06/30/15)									
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 20,170,829	\$ -	\$ -	\$ -	\$ 3,000	\$ 301,292		
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015						2,651,677		
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)						2,967,776		
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 20,170,829	\$ -	\$ -	\$ -	\$ 3,000	\$ (14,807)		

This Page Intentionally Left Blank

**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Approval Of A Resolution Of The City Of Ridgecrest City Council And The Ridgecrest Successor Redevelopment Agency Authorizing The Modification Of A Disposition And Development Agreement (DDA) Dated 11/02/06 With CNM Holdings 1 Ltd. / K Partners And Authorizing The City Manager Or His Designee To Negotiate And Execute The Documents

PRESENTED BY:

Gary Parsons – Economic Development Program Manager

SUMMARY:

Representatives of K Partners, owners of the Marriott Springhill Suites and Hampton Inn, have requested that the City Of Ridgecrest City Council And The Successor Redevelopment Agency modify their existing DDA of 11/02/2006.

As an incentive to the City, K Partners has offered to transfer titles to the City on two lots which they own adjacent to their hotels in exchange for the release of the agreement's development covenants from the two hotels. These covenants require K Partners to develop the lots into an office and a restaurant. However, due to market conditions, they have been unable to do so.

K Partners wishes to refinance their hotel developments and needs a release of the DDA covenants to do so.

The City Of Ridgecrest City Council And The Successor Redevelopment Agency would receive the ownership of the two lots In exchange for the modification of the DDA.

FISCAL IMPACT:

The City Of Ridgecrest And The Redevelopment Agency Successor Agency would acquire two lots currently valued at over \$300,000

ACTION REQUESTED:

Approval of Resolution

This Page Intentionally Left Blank

RESOLUTION NO. 15-XX

A RESOLUTION OF THE CITY OF RIDGECREST CITY COUNCIL AND THE RIDGECREST SUCCESSOR REDEVELOPMENT AGENCY AUTHORIZING THE MODIFICATION OF A DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) DATED 11/02/06 WITH CNM HOLDINGS 1 LTD. / K PARTNERS AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO NEGOTIATE AND EXECUTE ANY NEEDED DOCUMENTS

WHEREAS, the City of Ridgecrest City Council and its Successor Redevelopment Agency has met and has duly considered modification of the existing Disposition and Development Agreement (DDA) dated 11/02/06 with CNM Holdings 1 LTD / K Partners; and,

WHEREAS, CNM Holdings 1 LTD / K Partners has requested that this agreement be modified to allow for the refinancing of certain hotel property stated in the Agreement; and,

WHEREAS, the City of Ridgecrest City Council and its Successor Redevelopment Agency has reviewed the requested modifications to the existing agreement of 11/02/2006; and,

WHEREAS, the Ridgecrest Successor Redevelopment Agency desires to accept the requested modifications in exchange for certain incentives provided by CNM Holdings 1 LTD /K Partners.

NOW, THEREFORE, BE IT RESOLVED by the City of Ridgecrest City Council and its Successor Redevelopment Agency, as follows:

SECTION 1. The City of Ridgecrest City Council and its Successor Redevelopment Agency finds and determines that the foregoing recitals are true and correct.

SECTION 2. The City of Ridgecrest City Council and its Successor Redevelopment Agency approves the request for the modification of the CNM Holdings 1 LTD / K Partners in exchange for K Partners offer of incentives.

SECTION 3. The City of Ridgecrest City Council and its Successor Redevelopment Agency authorize and direct the City Manager or his designee to negotiate and execute any necessary documents needed to complete the modification of the CNM Holdings 1 LTD / K Partners Disposition and Development Agreement of 11/02/2006.

PASSED, APPROVED, AND ADOPTED at a meeting of the City of Ridgecrest City Council and its Successor Redevelopment Agency, held on this the 4th day of February, 2015 by the following vote, to wit:

Ayes:
Nays:
Absent:
Abstain:

Peggy Breeden, Mayor/Executive Director

ATTEST:

Rachel J. Ford, CMC
City Clerk/Agency Secretary

**CERTIFIED
TO BE A TRUE COPY**

BY *Jerry Smith*
First American Title Company

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

THE RIDGECREST REDEVELOPMENT AGENCY

And

CNM HOLDINGS I LTD., A TEXAS LIMITED PARTNERSHIP

100. INTRODUCTORY PROVISIONS 2

 101. Definitions..... 2

 102. Representations and Warranties..... 5

 102.1 Agency Representations..... 5

 102.2 Developer’s Representations..... 5

 103. Transfers of Interest in Site or Agreement..... 6

 103.1 Prohibition..... 6

 103.2 Permitted Transfers..... 6

 103.3 Agency Consideration of Requested Transfer 7

 103.4 Successors and Assigns..... 7

200. DISPOSITION OF SITE..... 7

 201. Disposition of the Site to the Developer..... 7

 202. Escrow..... 7

 202.1 Costs of Escrow 8

 202.2 Escrow Instructions..... 8

 202.3 Authority of Escrow Agent 8

 202.4 Closing..... 9

 202.5 Termination..... 9

 202.6 Closing Procedure..... 9

 203. Review of Title 10

 204. Title Insurance 10

 205. Conditions of Closing 10

 205.1 Agency’s Conditions of Closing..... 11

 205.2 Developer’s Conditions of Closing..... 11

 206. Studies and Reports..... 12

 207. Condition of the Site..... 12

 207.1 As-Is Condition..... 12

 207.2 Agency Representation 12

 207.3 Investigation of Site 13

 207.4 Developer Precautions After Closing..... 13

 207.5 Required Disclosures After Closing..... 13

 207.6 Developer Indemnity - Hazardous Materials 13

 208. Taxes and Assessments..... 13

300. DEVELOPMENT OF THE SITE 14

 301. Scope of Development..... 14

 301.1 Developer Improvements..... 14

 302. Construction Drawings and Related Documents 14

 303. Land Use Approvals 14

 304. Schedule of Performance 14

 305. Cost of Construction 15

 306. Insurance Requirements..... 15

 307. Developer’s Indemnity..... 15

 308. Rights of Access 15

309.	Compliance With Laws.....	16
309.1	Nondiscrimination in Employment	16
309.2	Taxes and Assessments.....	16
310.	Release of Construction Covenants	16
311.	Financing of the Developer Improvements.....	17
311.1	Construction Financing	17
311.2	No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease-Rack for Development.....	17
311.3	Holder Not Obligated to Construct Improvements	17
311.4	Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure	18
311.5	Failure of Holder to Complete Improvements	18
311.6	Right of the Agency to Cure Mortgage or Deed of Trust Default	19
400.	COVENANTS AND RESTRICTIONS	19
401.	Covenant to Use Site In Accordance with Redevelopment Plan.....	19
402.	Maintenance Covenants.....	19
403.	Nondiscrimination Covenant	19
404.	Effect of Violation of the Terms and Provisions of this Agreement	20
500.	DEFAULTS AND REMEDIES	21
501.	Default Remedies.....	21
502.	Institution of Legal Actions	21
503.	Termination by Developer.....	21
504.	Termination by Agency	21
505.	Acceptance of Service of Process	21
506.	Rights and Remedies Are Cumulative.....	22
507.	Inaction Not a Waiver of Default.....	22
508.	Applicable Law.....	22
600.	GENERAL PROVISIONS.....	22
601.	Notices, Demands and Communications Between the Parties	22
602.	Enforced Delay; Extension of Times of Performance	22
603.	Non-Liability of Officials and Employees of Agency and Developer.....	23
604.	Relationship Between Agency and Developer.....	23
605.	Agency Approvals and Actions	23
606.	Commencement of Agency Review Period.....	23
607.	Counterparts.....	23
608.	Integration.....	23
609.	Attorneys' Fees	24
610.	Real Estate Brokerage Commission.....	24
611.	Project Sign.....	24
612.	Ceremonies	24
613.	Administration	24
614.	Amendments of Agreement	24
615.	Titles and Captions	24
616.	Interpretation.....	25

617.	No Waiver.....	25
618.	Modifications.....	25
619.	Severability.....	25
620.	Computation of Time.....	25
621.	Legal Advice.....	25
622.	Time of Essence.....	25
623.	Cooperation.....	25
624.	Conflicts of Interest.....	25
625.	Time for Acceptance of Agreement by Agency	26

ATTACHMENTS:

Attachment No. 1	Site Map
Attachment No. 2	Site Legal Descriptions
Attachment No. 3	Schedule of Performance
Attachment No. 4	Scope of Development
Attachment No. 5	Grant Deed
Attachment No. 6	Declaration of Conditions, Covenants and Restrictions
Attachment No. 7	Release of Construction Covenants
Attachment No. 8	Memorandum of Agreement

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this "Agreement") is entered into by and among the RIDGECREST REDEVELOPMENT AGENCY, a public body corporate and politic (the "Agency") CNM Holdings I Ltd., a Texas limited partnership, and/or assigns (the "Developer").

RECITALS

The following recitals are a substantive part of this Agreement; capitalized terms used herein and not otherwise defined are defined in Section 101 of this Agreement:

A. The Redevelopment Plan for the Ridgcrest Redevelopment Project (the "Redevelopment Plan") was approved and adopted by the City Council of the City of Ridgcrest on November 1986, by Ordinance No. 86-37, as amended.

B. The Agency is authorized and empowered under the Community Redevelopment Law, to enter into agreements for the acquisition, disposition and development of real property and otherwise to assist in the redevelopment of real property within a redevelopment project area in conformity with a redevelopment plan adopted for such area; to acquire real and personal property in redevelopment project areas; to receive consideration for the provision by the Agency of redevelopment assistance; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers; and to incur indebtedness to finance or refinance redevelopment projects.

C. The Agency owns that certain real property consisting of Parcels 18, 19 and 22 of Parcel Map 10819 for the Ridgcrest Business Park which is approximately 5.21 net acres in size in the Redevelopment Project Area (the "Site") as shown on the Site Map attached hereto as Attachment No. 1 and as more particularly described in the Site Legal Description attached hereto as Attachment No. 2.

D. The Developer desires to acquire the Site and to develop an office facility, casual dining restaurant and hotel thereon.

F. The Agency and the Developer desire to enter into this Agreement in order to implement the provisions of the Redevelopment Plan by providing for the Developer's acquisition of the Site and the construction and operation of the improvements thereon.

F. The Agency further desires to enter into this Agreement for the improvement of the Site by the Developer because, pursuant to the Community Redevelopment Law and the Redevelopment Plan, such actions will help to eliminate blight in the Redevelopment Project, increase the employment opportunities within the Redevelopment Project, generate additional property taxes with which the community can assist in providing an environment for the social, economic and psychological growth and well-being of the citizens of the City.

G. The Developer's acquisition and development of the Site pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and the health, safety, and welfare of its residents and are in accord with the provisions of applicable federal, state and local law.

NOW, THEREFORE, the Agency and the Developer hereby agree as follows:

100. INTRODUCTORY PROVISIONS

101. Definitions.

“Agency” means the Ridgecrest Redevelopment Agency, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law, and any assignee of or successor to its rights, powers and responsibilities.

“Agency’s Conditions Precedent” is defined in Section 205.1 hereof.

“Agreement” means this Disposition and Development Agreement by and between the Agency and the Developer.

“CC&R’s” means the Declaration of Conditions, Covenants and Restrictions attached hereto as Attachment No. 6 and incorporated herein by reference.

“City” means the City of Ridgecrest, a California municipal corporation.

“Claimant” is defined in Section 501 hereof.

“Closing” is defined in Section 202.4 hereof.

“Closing Date” is defined in Section 202.4 hereof.

“Community Redevelopment Law” means California Health and Safety Code Sections 33000, et seq. as the same now exists or may hereafter be amended.

“Construction Drawings” is defined in Section 302 hereof.

“Date of Agreement” means the date upon which this Agreement shall have been executed by the Agency.

“Default” means the failure of a party 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 601 hereof.

“Default Notice” is defined in Section 501 hereof.

“Developer” means CNM Holdings I Ltd., and any assignee or successor to the Developer permitted pursuant to the terms of this Agreement.

“Developer Costs” is defined in Section 614 hereof.

“Developer Improvements” means the improvements to be constructed by Developer, as more particularly described herein and in the Scope of Development.

“Developer Request” is defined in Section 614 hereof.

"Environmental Law" means (i) Sections 25115, 25117, 25122.7 or 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) Article 9 or Article II of Title 22 of the California Administrative Code, Division 4, Chapter 20, (vi) Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (vii) Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 et seq. (42 U.S.C. Section 6903) or (viii) Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 6901, et seq.

"Environmental Consultant" is defined in Section 207.2 hereof.

"Escrow" is defined in Section 202 hereof.

"Escrow Agent" is defined in Section 202 hereof.

"Exceptions" is defined in Section 203 hereof.

"Governmental Requirement(s)" means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Agency, the Developer or the Site.

"Grant Deed" means the Grant Deed for the conveyance of the Site from the Agency to the Developer which is attached hereto as Attachment No. 5 and incorporated herein by reference.

"Hazardous Materials" means any substance, material or waste which is or becomes, prior to the Closing, regulated by any local governmental authority, the State of California or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article II of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 et seq. (42 U.S.C. Section 6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 6901, et seq.

"Improvements" means the Developer Improvements.

"Memorandum of Agreement" means the Memorandum of Agreement attached hereto as Attachment No. 8 and incorporated herein by reference.

"Notice" is defined in Section 601 hereof As used herein, the term "Notice" includes a Default Notice.

"Outside Date" is defined in Section 202.4 hereof.

"Project" means and refers to both the Site and the Developer Improvements to be constructed thereon.

"Redevelopment Plan" means the Redevelopment Plan for the Ridgecrest Redevelopment Project which was approved and adopted by the City Council of the City of Ridgecrest on November 19, 1986, by Ordinance No. 86-37, as amended.

"Redevelopment Project" means the Ridgecrest Redevelopment Project, adopted by the City pursuant to the Redevelopment Plan.

"Redevelopment Project Area" means the property which is within the Redevelopment Project.

"Release of Construction Covenants" means the document which evidences Developer's satisfactory completion of the Developer Improvements, as set forth in Section 311 hereof in the form of Attachment No. 7 hereto which is incorporated herein by reference.

"Report" is defined in Section 203 hereof.

"Schedule of Performance" means that certain Schedule of Performance attached hereto as Attachment No. 3 and incorporated herein by reference, setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Developer and the Agency's Executive Director, and the Agency's Executive Director is authorized to make such revisions as he deems reasonably necessary.

"Scope of Development" means that certain Scope of Development attached hereto as Attachment No. 4 and incorporated herein by reference, which describes the scope, amount and quality of development of the Developer Improvements to be constructed by the Developer pursuant to the terms and conditions of this Agreement.

"Site" means that certain real property which is approximately 5.21 net acres in size and which is located in the Ridgecrest Business Park in the Redevelopment Project Area, as depicted on the Site Map and more particularly described in the Site Legal Description.

"Site Legal Description" means the description of the Site which is attached hereto as Attachment No. 2 and incorporated herein by reference.

"Site Map" means the map of the Site which is attached hereto as Attachment No. 1 and incorporated herein by reference.

"State" means the State of California.

"Title Company" is defined in Section 203 hereof "Title Policy" is defined in Section 204 hereof.

102. Representations and Warranties.

102.1 Agency Representations. Agency hereby makes the representations and warranties contained below in this Section 102.1. All of the representations and warranties set forth in this Section 102.1 are effective as of the Date of this Agreement. All of the representations and warranties set forth in this Section 102.1 are made with the acknowledgment that they are material, and with the intention that the Developer shall rely upon them as inducements to enter into this Agreement and to perform their obligations hereunder. The representations and warranties contained in this Section 102.1 shall each survive the execution of this Agreement without limitation as to time.

(a) *Authority.* The Agency is a public body, corporate and politic, existing pursuant to the Community Redevelopment Law, which has been authorized to transact business pursuant to action of the City. The Agency has full right, power and lawful authority to enter into this Agreement and the execution, performance and delivery of this Agreement by the Agency has been fully authorized by all requisite actions.

(b) *No Conflict.* The Agency'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 Agency is a party or by which it is bound.

(c) *No Agency Bankruptcy.* The Agency is not the subject of a bankruptcy proceeding.

(d) *Deliveries.* All documents, instruments and other information delivered by the Agency to the Developer pursuant to this Agreement are true, correct and complete.

Each of the foregoing items (a) to (d), inclusive shall be deemed to be an ongoing representation and warranty. The Agency shall advise the Developer in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (d), inclusive.

102.2 Developer's Representations. The Developer hereby makes the representations and warranties contained below in this Section 102.2. All of the representations and warranties set forth in this Section 102.2 are effective as of the Date of this Agreement. All of the representations and warranties set forth in this Section 102.2 are made with the acknowledgment that they are material, and with the intention that the Agency shall rely upon them as inducements to enter into this Agreement and to perform its obligations hereunder and to close the transactions contemplated herein. The representations and warranties contained in this Section 102.2 shall each survive the execution of this Agreement without limitation as to time.

(a) *Authority.* The Developer is a duly sole proprietor within and in good standing under the laws of the State of California and is authorized to do business in California. The Developer has full right, power and lawful authority to undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by the Developer has been fully authorized by all requisite actions on the part of the Developer. The Developer has provided the

Agency with true and correct copies of documentation reasonably acceptable to the Agency's Executive Director, or his designee, designating the party authorized to execute this Agreement on behalf of the Developer.

(b) No Conflict. The 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.

(c) No Developer Bankruptcy. The Developer is not the subject of a bankruptcy proceeding.

(d) Deliveries. To Developer's actual knowledge, all documents, Instruments and other information delivered by the Developer to the Agency pursuant to this Agreement are true, correct and complete.

Each of the foregoing items (a) to (d), inclusive shall be deemed to be an ongoing representation and warranty. The Agency shall advise the Developer in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (d), inclusive.

103. Transfers of Interest in Site or Agreement.

103.1 Prohibition. The qualifications and identity of Developer are of particular concern to the Agency. It is because of those qualifications and identity that the Agency has entered into this Agreement with the Developer. For the period commencing upon the Date of this Agreement and until the issuance of the Release of Construction Covenants, 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 Site or the Developer Improvements thereon without prior written approval of Agency, except as expressly set forth herein. Following the issuance of the Release of Construction Covenants, the Agency's approval of a transfer as contemplated under this Section 103.1 shall no longer be required.

103.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, Agency approval of an assignment of this Agreement or conveyance of the Site or the Developer Improvements, or any part thereof, shall not be required in connection with any of the following:

(a) The conveyance or dedication of any portion of the Site to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Developer Improvements (as defined herein).

(b) The conveyance of a portion of the Site to a restaurant developer or operator for purposes of the development of a casual dining restaurant. For purposes of this Agreement, a "casual dining" restaurant shall include a sit-down restaurant such as, but not limited to, a Chili's or Applebee's.

(c) Any requested assignment for financing purposes (subject to such financing being considered and approved by Agency pursuant to Section 311 herein), including the grant of a deed of trust to secure the funds necessary for land acquisition, construction and permanent

financing of the Developer Improvements or transfer to development entity in which Developer and/or assigns retains a controlling interest.

103.3 Agency Consideration of Requested Transfer. The Agency agrees that it will not unreasonably withhold approval of a request made pursuant to this Section 103, provided the Developer delivers written notice to the Agency requesting such approval. With respect to any proposed transfer prior to the issuance of the Release of Construction Covenants, such notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, and its financial commitments and resources, in sufficient detail to enable the Agency to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 103 and as reasonably determined by the Agency. The Agency shall evaluate each proposed transferee or assignee on the basis of its development and/or qualifications and experience and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, during the period for which this Section 103 applies, which the Agency determines does not possess equal or better qualifications than the transferring Developer. An assignment and assumption agreement in a form satisfactory to Agency's legal counsel shall also be required for all proposed assignments. Within thirty (30) days after the receipt of the Developer's written notice requesting Agency approval of an assignment or transfer pursuant to this Section 103 the Agency shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, Agency requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Developer shall promptly furnish to the Agency such further information as may be reasonably requested.

103.4 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.

200. DISPOSITION OF SITE

201. Disposition of the Site to the Developer. The Site shall be conveyed to Developer for and in consideration of all of the Developer's obligations hereunder, including but not limited to the Developer's construction of the Developer Improvements and the operation of the Project in compliance with the CC&Rs, the Agency hereby agrees to grant, transfer and convey the Site to the Developer and the Developer agrees to acquire the Site from the Agency for a purchase price of Seven Hundred Eighty-Two Thousand Nine Hundred Sixty Nine Dollars and Twenty Two Cents (\$782,969.22) (the "Purchase Price"). The Purchase Price is based on \$3.45 per square foot. The actual square footage and Purchase Price shall be based on the final parcel maps or surveys to be approved in connection with the development. The Sale Price is at three dollars and forty five cent dollars per square foot. Upon execution of this Agreement, Developer shall make a down payment of \$25,000 which shall be held by the Escrow Agent and shall be released to Developer upon termination of this Agreement pursuant to Section 202.5 on or prior to the end of the Due Diligence Period or shall be applied to the payment of the Purchase Price.

202. Escrow. Within the time set forth in the Schedule of Performance the parties shall open escrow (the "Escrow") with First American Title Company (the "Escrow Agent").

202.1 Costs of Escrow. The Agency and the Developer shall pay their respective portions of the premium for the Title Policy as set forth in Section 204 hereof the Agency shall pay for the documentary transfer taxes, if any, due with respect to the conveyance of the Site, and the Developer and the Agency each agree to pay one-half of all other usual fees, charges, and costs which arise from the Escrow.

202.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of the Developer and the Agency, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts reasonably necessary to close the Escrow in accordance with the terms of this Agreement. Insurance policies for fire or casualty are not to be transferred, and the Agency will cancel its own policies after the Closing. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State. All disbursements shall be made by check from such account.

If in the opinion of either party it is necessary or convenient in order to accomplish the Closing, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Closing shall take place when both the Agency's Conditions Precedent and the Developer's Conditions Precedent as set forth in Section 205 have been satisfied. Escrow Agent is instructed to release Agency's escrow closing and Developer's escrow- closing statements to the respective parties.

202.3 Authority of Escrow Agent. The Escrow Agent is authorized to, and shall:

(a) Pay and charge the Agency for the premium of the Title Policy as set forth in Section 204 hereof and any amount necessary to place title to the Site in the condition necessary to satisfy Section 203 of this Agreement.

(b) Pay and charge the Developer and the Agency for their respective shares of any escrow fees, charges, and costs payable under Section 202.1 of this Agreement.

(c) Disburse funds and deliver and record the Grant Deed and the CC&R's when both the Developer's Conditions Precedent and the Agency's Conditions Precedent have been fulfilled or waived by the Developer and the Agency.

(d) Do such other actions as necessary, including obtaining the Title Policy, to fulfill its obligations with respect to the Site under this Agreement.

(e) Within the discretion of the Escrow Agent and, if necessary, direct the Agency and the Developer to execute and deliver any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act and regulation promulgated thereunder. Agency agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by the Escrow Agent, on the form to be supplied by the Escrow Agent.

(f) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

202.4 Closing. The conveyance of the Site shall close (the "Closing") within thirty (30) days of the parties' satisfaction of all of the Agency's and the Developer's Conditions Precedent as set forth in Section 205 hereof, but in no event later than one hundred twenty (120) days from the Date of Agreement (the "Outside Date"); provided, that the Outside Date may be extended for a period up to sixty (60) days upon written notice to the Agency prior to the Outside Date that such additional period is required due to processing delays by the City and/or Agency and stating the nature of such delays. The "Closing" shall mean the time and day the Grant Deed is filed for record with the Kern County Recorder. The "Closing Date" shall mean the day on which the Closing occurs.

202.5 Termination. Developer shall have 90 days from the Date of Agreement or such extended period (the "Due Diligence Period") to satisfy itself with respect to the condition of the Site as provided in Section 207, title as provided in Section 203 and to such other matter affecting the development of the Site and may terminate this Agreement in its sole discretion on or prior to the end of the Due Diligence Period by giving written notice of such termination to the Agency. If the Escrow is not in condition to close by the Outside Date, then either party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate this Agreement. If either party makes a written demand for return of documents or properties, this Agreement shall not terminate until five (5) days after the Escrow Agent shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, the Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Termination of this Agreement shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible.

202.6 Closing Procedure. The Escrow Agent shall close the Escrow for the Site as follows:

- (a) Record the Grant Deed with instructions for the Recorder of Kern County, California to deliver the Grant Deed to the Developer;
- (b) Record the CC&Rs with instructions for the Recorder of Kern County, California to deliver the CC&Rs to the Agency;
- (c) Record the Memorandum of Agreement with instruction for the Recorder of Kern County, California to deliver the Memorandum of Agreement to the Agency;
- (d) Instruct the Title Company to deliver the Title Policy to the Developer;
- (e) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;

(f) Deliver the FIRPTA Certificate, if any, to Developer;

(g) Forward to both the Developer and the Agency a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into the Escrow, with such recording and filing date and information endorsed thereon; and

(h) Record documents requested by the Developer subsequent to the recordation of the Grant Deed, the CC&R's and the Memorandum of Agreement.

203. Review of Title. Within the time set forth in the Schedule of Performance, the Agency shall cause Lawyers Title, or another title company mutually agreeable to both parties (the "Title Company"), to deliver to Developer a standard CLTA preliminary title report (the "Report") with respect to the title to the Site, together with legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Report. The Developer shall have the right to reasonably approve or disapprove the Exceptions.

Within the time set forth in the Schedule of Performance, the Developer shall give written notice to the Agency and the Escrow Agent of Developer's approval or disapproval of any of such Exceptions. Developer's failure to give written disapproval of the Report within such time limit shall be deemed approval of the Report and the Exceptions set forth therein. If the Developer notifies the Agency of its disapproval of any Exceptions in the Report, the Agency shall have the right, but not the obligation, to remove any disapproved Exceptions within fifteen (15) days after receiving written notice of Developer's disapproval or provide assurances reasonably satisfactory to the Developer that such Exception(s) will be removed on or before the Closing. If the Agency cannot or does not elect to remove any of the disapproved Exceptions within that period, the Agency shall provide written notice of such election to Developer within such fifteen (15) day period. The Developer shall then have ten (10) business days after the expiration of such ten (10) business day period to either give the Agency written notice that Developer elects to proceed with the purchase of the Site subject to the disapproved Exceptions or to give the Agency written notice that the Developer elects to terminate this Agreement. The Developer shall have the right to approve or disapprove any Exceptions reported by the Title Company after the Developer has approved the Report for the Site (which are not created by the Developer. The Agency shall not voluntarily create any new exceptions to title following the Date of this Agreement.

204. Title Insurance. Concurrently with recordation of the Grant Deed conveying title to the Site to the Developer, there shall be issued to the Developer a CLTA owner's policy of title insurance (the "Title Policy"), together with such endorsements as are reasonably requested by the Developer, issued by the Title Company insuring that the title to the Site is vested in Developer in the condition required by Section 203 of this Agreement. The Title Company shall provide the Agency with a copy of the Title Policy. The Title Policy shall be for the amount of the Purchase Price. The Agency shall pay that portion of the premium for the Title Policy equal to the cost of a CLTA standard coverage title policy in the amount of Purchase Price. Any additional costs, including the cost of an ALTA policy or any endorsements requested by the Developer, shall be borne by the Developer.

205. Conditions of Closing. The Closing is conditioned upon the satisfaction of the following terms and conditions within the times designated below:

205.1 Agency's Conditions of Closing. Agency's obligation to proceed with the Closing of the conveyance of the Site is subject to the fulfillment or waiver by the Agency in writing of each and all of the conditions precedent (a) through (e), inclusive, described below ("Agency's Conditions Precedent"), which are solely for the benefit of the Agency, and which shall be fulfilled or waived in writing by the Agency by the time periods provided for herein:

(a) No Default. Prior to the Close of Escrow, the Developer is not in default in any of its obligations under the terms of this Agreement and all representations and warranties of the Developer contained herein shall be true and correct in all material respects.

(b) Execution of Documents. The Developer shall have executed and delivered the CC&R's, the Memorandum of Agreement and any other documents required hereunder to which it is a party.

(c) Payment of Closing Costs. Developer has paid or submitted to Escrow all costs of Closing which are Developer's obligation in accordance with Section 202.1 hereof.

(d) Proof of Financing. Developer shall have provided the evidence of financing to the Agency in accordance with Section 312.1 hereof and the Agency's Executive Director or his designee has approved such proof of financing.

(e) Articles of Incorporation. Developer shall have submitted to the Agency its articles of incorporation and such other corporate documents reasonably requested by the Agency.

205.2 Developer's Conditions of Closing. Developer's obligation to accept conveyance of the Site is subject to the fulfillment or waiver by Developer in writing of each and all of the conditions precedent (a) through (e), inclusive, described below ("Developer's Conditions Precedent"), which are solely for the benefit of Developer, and which shall be fulfilled or waived in writing by the Developer by the time periods provided for herein:

(a) No Default. The Agency is not in default in any of its obligations under the terms of this Agreement and all representations and warranties of the Agency contained herein shall be true and correct and not misleading in all material respects.

(b) Execution of Documents. The Agency shall have executed and delivered the Grant Deed, the CC&R's, the Memorandum of Agreement and any other documents required hereunder to which it is a party.

(c) Payment of Closing Costs. Prior to the Close of Escrow, the Agency has paid or submitted into Escrow all costs of Closing which are Agency's obligation in accordance with Section 202.1 hereof.

(d) Review and Approval of Title. The Developer shall have reviewed and approved the Report, as provided in Section 203 hereof.

(e) Title Policy. The Title Company shall be prepared to issue the Title Policy to Developer in the form required under Section 204 of this Agreement.

(f) *Developer's Environmental Contingency.* This Agreement, or escrow created hereby, is additionally contingent upon the Developer receiving satisfactory evidence, in the form of an environmental assessment report, from a licensed contractor who is acceptable to the Developer in its sole and absolute discretion and who shall be hired by the Developer, showing that the Site is free from any Hazardous Materials in the soil or groundwater, or any other conditions which may affect the value of the Site. In the event the Developer is not able to obtain such an environmental assessment report, the Developer is entitled to conduct such further and other examination and testing as it or any other responsible governmental agency may require or request to determine the nature, source, scope, and extent of such Hazardous Materials, or it may cancel escrow. If a licensed contractor selected by the Developer determines that there are Hazardous Materials in, on or under the Site, including in the groundwater, then the Developer may elect to: cancel escrow; or (ii) purchase the Site at the price agreed to herein, Regardless of which option is selected by the Developer in the event Hazardous Materials are found in, on or under the Site, neither party waives or relinquishes any common law or statutory rights it or they may have against one another or third persons arising from or related to the cause or source of the Hazardous Materials, or for contribution or indemnity as a result of site evaluation, remediation and cleanup costs and liability.

206. Studies and Reports. Prior to the Closing, representatives of the Developer shall have the right of access to all portions of the Site owned by the Agency for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. Any preliminary work undertaken on the Site by the Developer prior to the Closing shall be done at the sole expense of the Developer and the Developer shall defend, indemnify and hold the Agency harmless from any claims related to physical damage to property or injuries to persons and resulting from all preliminary work, access or use of the Site undertaken pursuant to this Section 206. Any preliminary work shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

207. Condition of the Site.

207.1 As-Is Condition. Notwithstanding any provisions of this Agreement to the contrary, the Site shall be conveyed in an "as is" condition, with no warranty, express or implied by the Agency, as to the condition of improvements on the Site, the soil, its geology, the presence of known or unknown faults or Hazardous Materials or toxic substances. It shall be the sole responsibility of the Developer at its expense to investigate and determine the soil and improvement conditions for the development to be constructed. If the soil environmental condition is not in all respects entirely suitable for the use or uses to which the Site will be put, then, subject to the Developer's right to terminate this Agreement as set forth in Section 205.2(f) hereof, it is the sole responsibility and obligation of the Developer to take such action as may be necessary to place the soil conditions of the Site in a condition entirely suitable for its development.

207.2 Agency Representation. To the best of Agency's knowledge, neither Agency nor any prior owner or occupant of the Property has engaged in or permitted any activity on the Property involving the handling, manufacture, treatment, storage, use, release, or disposal of any Hazardous Materials. To Agency's knowledge, removal or other remedial action with respect to Hazardous Materials in, on, under or about the Property is not required by any governmental authority having jurisdiction over the Property.

207.3 Investigation of Site. The Developer shall have the right, at its sole cost and expense, to engage its own environmental consultant (the "Environmental Consultant") to make such investigations as Developer deems necessary, including any "Phase I" or "Phase 2" investigations of the Site. The Developer shall provide the Agency with a copy of any and all studies and reports provided to the Developer by the Environmental Consultant, or such other consultant engaged by the Developer; provided, however, same shall be delivered without representation or warranty of any kind.

207.4 Developer Precautions After Closing. Upon the Closing, the Developer shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Site. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, the Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials in, on or under the Site.

207.5 Required Disclosures After Closing. After the Closing, the Developer shall notify the Agency, and provide to the Agency a copy or copies, of all notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks. The Developer shall report to the Agency, as soon as possible after each incident, any known Hazardous Materials release or known circumstances which would potentially lead to such a release.

207.6 Developer Indemnity - Hazardous Materials. Upon the Closing, the Developer agrees to indemnify, defend and hold the Agency and the City, and their respective officers, employees, agents, representatives and volunteers, harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Site, arising or occurring after the Closing Date or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Site. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. This indemnity shall not include any Claim directly resulting from, arising out of, or based solely upon the negligent or intentional acts or omissions of the Agency, or any of its officers, employees or agents.

208. Taxes and Assessments. Ad valorem taxes and assessments, if any, on the Site levied, assessed, or imposed for any period prior to the conveyance of title or delivery of possession thereto, shall be borne by the Agency. All such ad valorem taxes and assessments levied or imposed for any period after such conveyance of title or delivery of possession shall be paid by the Developer.

300. DEVELOPMENT OF THE SITE

301. Scope of Development.

301.1 Developer Improvements. The Developer shall develop the Developer Improvements upon the Site, in accordance with the Scope of Development and all entitlements and approvals for the Site and within the time periods set forth in the Schedule of Performance and the plans, drawings and documents submitted by Developer and approved by Agency as set forth herein. The Developer Improvements shall generally consist of professional office, casual dining restaurant and hotel uses as more fully described in the Scope of Development to be completed in the order determined by the Developer in its sole discretion.

302. Construction Drawings and Related Documents. Within the time set forth in the Schedule of Performance, the Developer shall prepare and submit to the City and the Agency, construction drawings, landscape plans, and related documents required for the development of the Site (the "Construction Drawings"). The City shall have the right of review of all Construction Drawings, including any proposed changes therein. The Agency shall utilize reasonable efforts in an attempt to coordinate with the City to cause the reviews and approvals required in connection with the Developer Improvements to occur in as expeditious a manner as possible. Landscaping Plans shall submitted to and approved by the Director of Community Development.

303. Land Use Approvals. The Agency represents and warrants that the Site is appropriately zoned for the proposed use and is regulated by a specific plan that fosters integration of similar land-use programs, site designs, and architectural solutions. Use of sensitive construction materials is encouraged, which should be integrated with landscape treatments that need to follow the City's xeriscape and/or staff recommendations. The City's current Master Environmental Document provides for full environmental clearance. Site plan review will be conducted at the Planning Commission level and all architectural reviews will be handled at staff level. To the extent any other approvals are required, Agency agrees to assist the Developer in obtaining such approvals. Developer shall, without limitation, apply for and secure all permits required by the City, the County of Kern and other governmental agencies with jurisdiction over the Developer Improvements.

304. Schedule of Performance. Developer shall submit the Construction Drawings, commence and complete all construction of the Developer Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefore in the Schedule of Performance. The Schedule of Performance is subject to revision from time-to-time as mutually agreed upon in writing by the Developer and the Agency's Executive Director and Agency's Executive Director is authorized to make such revisions as he deems reasonably necessary. In the event that developer fails to enter into an agreement with a third party restaurant developer for the development of restaurant or commence construction of the office building within the time provided in the Schedule of Performance, the Developer shall submit a report and plan detailing how the restaurant and office building will be developed (the "Report and Plan"). If the Report and Plan are submitted to the Agency, then the time to commence construction of the office building or to enter into an agreement with a third party restaurant developer for the development of restaurant shall be extended for a period of 24 months (the "Extension Period"). In the event that Developer fails to commence construction of the office building; or to enter into an agreement with a third party restaurant developer for the development of restaurant within the time provided in the Schedule of Performance, as it may be amended, then the Agency, in its sole direction, may require Developer to reconvey the parcel upon which the office building and or restaurant was to be constructed to the

Agency for an amount equal to the amount paid by Developer for such parcel calculated in the bases of \$3.45 per square foot.

305. Cost of Construction. The Agency agrees to construct, at its expense, all off-site improvements required by the City in connection with the development of the Site as described in the Scope of Development. Except as otherwise expressly set forth herein, all of the cost of planning, designing, developing and constructing all of the Developer Improvements, shall be borne solely by the Developer.

306. Insurance Requirements. The Developer shall take out and maintain or shall cause its contractor to take out and maintain until the issuance of the Release of Construction Covenants pursuant to Section 311 of this Agreement, a comprehensive general liability policy in the amount of Two Million Dollars (\$2,000,000.00) combined single limit policy, and a comprehensive automobile liability policy in the amount of Two Million Dollars (\$2,000,000.00), combined single limit, or such other policy limits as the Agency may approve at its discretion, including contractual liability, as shall protect the Developer, the City and the Agency from claims for such damages. Such policy or policies shall be written on an occurrence form. The Developer shall also furnish or cause to be furnished to the Agency evidence satisfactory to the Agency that the Developer and any contractor with whom it has contracted for the performance of work on the Site or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. The Developer shall furnish a notarized certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by the Agency setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the City and the Agency and their respective officers, agents, and employees as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify the City and the Agency of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination. Coverage provided hereunder by the Developer shall be primary insurance and not be contributing with any insurance maintained by the Agency or the City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City and the Agency. The required certificate shall be furnished by the Developer prior to the commencement of construction of the Developer Improvements.

307. Developer's Indemnity. The Developer shall defend, indemnify, assume all responsibility for, and hold the Agency and the City, and their representatives, volunteers, officers, employees and agents, harmless from, all claims, demands, damages, defense costs or liability of any kind or nature relating to the subject matter of this Agreement or the implementation hereof and for any damages to property or injuries to persons, including accidental death (including attorneys fees and costs), which are legally caused by any acts or omissions of the Developer under this Agreement, whether such activities or performance thereof be by the Developer or by anyone directly or indirectly employed or contracted with by the Developer and whether such damage shall accrue or be discovered before or after termination of this Agreement.

308. Rights of Access. Representatives of the Agency shall have the right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed

in constructing the Developer Improvements so long as Agency representatives comply with all safety rules.

309. Compliance With Laws. The Developer shall carry out the design and construction of the Developer Improvements in conformity with all applicable laws, including the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. Sections 12101, et seq., California Government Code Sections 4450, et seq., California Government Code Sections 11135, a seq., and the Unruh Civil Rights Act, California Civil Code Sections 51, et seq. and all applicable state labor standards and wage laws as set forth in Labor Code §§ 1720, et seq., to the extent applicable to the construction contemplated hereunder as to which the Agency makes no representations. Developer agrees to hold the City and the Agency harmless and to indemnify and defend the City and the Agency from any claims arising under the provisions of Labor Code §§ 1720, et seq., including, but not limited to, the provisions of Labor Code Section 1726 and 1781. Developer expressly waives any rights it may have under Labor Code Sections 1726 or 1782. It shall be the sole responsibility of the Developer to determine the applicability of such laws to the Developer Improvements. Developer agrees to hold harmless, indemnify and defend the Agency from any claim or liability in connection with the requirements of this section.

309.1 Nondiscrimination in Employment. The Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sections 2000, et seq., the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Sections 621, et seq., the Immigration Reform and Control Act of 1986, 8 U.S.C. Sections 1324b, et seq., 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, California Government Code Sections 12900, et seq., the California Equal Pay Law, California Labor Code Sections 1197.5, California Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Sections 12101, et seq., and all other anti-discrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended. The Developer shall allow representatives of the Agency access to its employment records related to this Agreement during regular business hours to verify compliance with these provisions when so requested by the Agency.

309.2 Taxes and Assessments. All taxes on the Site shall be prorated as of the Closing Date in accordance with the normal procedures applicable in Kern County. After the Closing, the Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Site. The Developer shall remove or have removed any levy or attachment made on any of the Site, or any part thereof, or assure the satisfaction thereof within a reasonable time.

310. Release of Construction Covenants. Promptly after completion of the Developer Improvements in conformity with this Agreement, the Agency shall furnish the Developer with a Release of Construction Covenants in the form of Attachment No. 7 hereto. The Agency shall not unreasonably withhold such Release of Construction Covenants. The Release of Construction Covenants shall be a conclusive determination of satisfactory completion of the Developer Improvements and the Release of Construction Covenants shall so state. Any party then owning or

MOZ

thereafter purchasing, leasing or otherwise acquiring any interest in the Site shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement except for those continuing covenants as set forth in Sections 400 and 500 of this Agreement. If the Agency refuses or fails to furnish the Release of Construction Covenants for the Site after written request from the Developer, the Agency shall, within thirty (30) working days of such written request, provide Developer with a written statement setting forth the reasons the Agency has refused or failed to furnish the Release of Construction Covenants for the Site. The statement shall also contain a list of the actions the Developer must take to obtain a Release of Construction Covenants.

Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the improvements, or any part thereof. Such Release of Construction Covenants is not a notice of completion as referred to in the California Civil Code, Section 3093.

311. Financing of the Developer Improvements.

311.1 Construction Financing. Prior to the Close of Escrow, the Developer shall furnish information to the Agency demonstrating, to the Agency's satisfaction, that the Developer has the financial capability to acquire the Site and complete the Developer Improvements. Such evidence of financing shall include the following: (a) a copy of a legally binding, firm and enforceable loan commitment(s) obtained by the Developer from unrelated financial institutions for the mortgage loan or loans for financing to fund the construction and completion of the Developer Improvements, subject to such lenders' reasonable, customary and normal conditions and terms; or (b) a certification from the corporation comptroller of the Developer that Developer has sufficient funds for such construction, and that such funds have been committed to such construction.

311.2 No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease-Back for Development. Mortgages, deeds of trust and sales and leases-back are to be permitted before completion of the construction of the Developer Improvements with the Agency's prior written approval, which shall not be unreasonably withheld or delayed, but only for the purpose of securing loans of funds to be used for financing the construction of the Developer Improvements; permanent financing; and any other purposes necessary and appropriate in connection with development under this Agreement. The Developer shall notify the Agency in advance of any mortgage, deed of trust or sale and lease-back financing, if the Developer proposes to enter into the same before completion of the construction of the Developer Improvements. The words "mortgage" and "trust deed" as used hereinafter shall include sale and lease-back. The Developer shall not enter into any such conveyance for financing without the prior written approval of the Agency, which approval the Agency agrees to give if any such conveyance for financing is given to a responsible financial lending institution or person or entity ("Lender"). The Developer may enter into a conveyance for financing after the completion of the Developer Improvements as evidenced by the issuance of the Release of Construction Covenants as set forth in Section 311 hereof without the approval of the Agency.

311.3 Holder Not Obligated to Construct Improvements. The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the Developer Improvements or any portion thereof, or to guarantee such construction or completion; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to

construe, permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

311.4 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure.

With respect to any mortgage or deed of trust granted by the Developer as provided herein, whenever the Agency delivers any Default Notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the Developer's Improvements, the Agency shall deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand if the Developer fails to cure the Default within the time set forth in Section 501 hereof. Each such holder shall (insofar as the rights granted by the Agency are concerned) have the right, at its option, within thirty (30) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Developer Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to the Agency by written agreement reasonably satisfactory to the Agency. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 311 of this Agreement, to a Release of Construction Covenants. It is understood that a holder shall be deemed to have satisfied the thirty (30) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such holder has within such thirty (30) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default.

311.5 Failure of Holder to Complete Improvements. In any case where, thirty (30) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a notice from the Agency of a default by the Developer in completion of construction of any of the Developer's Improvements under this Agreement, and such holder has not exercised the option to construct as set forth in Section 312.4, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, the Agency may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the holder, the Agency, if it so desires, shall be entitled to a conveyance from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following:

(a) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

(b) All expenses with respect to foreclosure including reasonable attorneys' fees;

(c) The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Site or part thereof;

- (d) The costs of any improvements made by such holder;
- (e) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Agency; and
- (f) Any customary prepayment charges imposed by the lender pursuant to its loan documents and agreed to by the Developer.

311.6 Right of the Agency to Cure Mortgage or Deed of Trust Default. In the event of a mortgage or deed of trust default or breach by the Developer prior to the completion of the construction of any of the Developer's Improvements or any part thereof. Developer shall immediately deliver to Agency a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, the Agency shall have the right but no obligation to cure the default. In such event, the Agency shall be entitled to reimbursement from the Developer of all proper costs and expenses incurred by the Agency in curing such default. The Agency shall also be entitled to a lien upon the Development Property to the extent of such costs and disbursements. Any such lien shall be junior and subordinate to the mortgages or deeds of trust pursuant to this Section 312.

400. COVENANTS AND RESTRICTIONS

401. Covenant to Use Site In Accordance with Redevelopment Plan. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site or any part thereof that the Developer and such successors and assignees, shall devote the Site only to those uses specified or permitted in the Redevelopment Plan and this Agreement for the periods of time specified therein. A copy of the Redevelopment Plan has been previously delivered to Developer.

402. Maintenance Covenants. Developer covenants and agrees for itself, its successors and assigns and any successor in interest to the Site or part thereof to maintain the Site and all improvements thereon in compliance with the terms of the Redevelopment Plan and with all applicable provisions of the City of Ridgecrest Municipal Code, including participation in a 1972 Lighting and Landscaping Maintenance District currently under formation.

403. Nondiscrimination Covenant. Developer covenants and agrees for itself; its successors, assigns 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, physical or mental disability or medical condition, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall Developer itself, 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, sublessees or vendees of the Site. The foregoing covenant shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, handicap, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) *In deeds*: "The grantee herein covenants by and for himself or herself, his heirs, executors, administrators and assigns, and all persons claiming under or through them, 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, physical or mental disability or medical condition, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, 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, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) *In leases*: "The lessee herein covenants by and for himself or herself, his heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"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, physical or mental disability or medical condition, handicap, ancestry or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, 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, sublessees, subtenants or vendees in the premises herein leased."

(c) In contracts relating to the sale, transfer or leasing of the Site or any interest therein: "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, physical or mental disability or medical condition, handicap, ancestry or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, 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, sublessees or vendees of the premises."

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assigns, the City and any successor in interest to the Site, together with any property acquired by Developer pursuant to this Agreement, or any part thereof

404. Effect of Violation of the Terms and Provisions of this Agreement. The Agency 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 right 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, without regard to whether the Agency has been, remains or is an owner of any land or interest therein in the Site. The Agency shall have the right, if the 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 Agreement and covenants may be entitled.

The covenants contained in this Agreement shall remain in effect for the term of the Redevelopment Plan that is until November 19, 2026; provided however, that notwithstanding the foregoing, the use covenant set forth in Section 502 hereof shall remain in effect for the period of time set forth therein and the covenants against discrimination, as set forth in Section 504 hereof, shall remain in effect in perpetuity.

500. DEFAULTS AND REMEDIES

501. Default Remedies. Subject to the extensions of time set forth in Section 702 of this Agreement, failure by either party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" under this Agreement. A party claiming a Default (the "Claimant") shall give written notice to the other party specifying the alleged grounds for the Default (the "Default Notice"). Except as otherwise expressly provided in this Agreement, the Claimant shall not institute any proceeding against any other party and the other party shall not be in Default if such party within forty-five (45) days from receipt of the notice required by this Section 501 immediately, with due diligence, commences to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with diligence.

502. Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, either party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Kern, State of California, in an appropriate municipal court in that county, or in the United States District Court for the Eastern District of California.

503. Termination by Developer. Prior to the Conveyance of the Site to the Developer, in the event of any other Default of the Agency, which is not cured within the time set forth in Section 501 hereof, and provided that the Developer is not in Default of this Agreement, this Agreement may, at the option of the Developer, be terminated by Notice thereof to the Agency. From the date of the Notice of termination of this Agreement by the Developer to the Agency and thereafter this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties.

504. Termination by Agency. Prior to the Conveyance of the Site to the Developer, in the event of any other Default of the Developer, which is not cured within the time set forth in Section 501 hereof, and provided that the Agency is not in Default of this Agreement, this Agreement may, at the option of the Agency, be terminated by Notice thereof to the Developer. From the date of the Notice of termination of this Agreement by the Agency to the Developer and thereafter this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties.

505. Acceptance of Service of Process. In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director of the Agency or in such other manner as may be provided by law. In the event that any legal action is commenced by the Agency against the Developer, service of process on the Developer shall be made in such manner as may be provided by law.

506. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

507. Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

508. Applicable Law. The laws of the State shall govern the interpretation and enforcement 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 therefor 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 Agency: Ridgecrest Redevelopment Agency
100 W. California Avenue
Ridgecrest, CA 93555
Attention: Executive Director

To Developer: CNM Holdings I Ltd.
Mark Crisci
7708 Via Cortona
San Diego, CA 92127

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 801.

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: litigation challenging the validity of this transaction or any element thereof or the right of either party to engage in the acts and transactions contemplated by this Agreement; inability to secure necessary labor materials or tools; or withdrawal of financing not caused by any act or omission of the Developer; 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; unusually severe weather; acts or omissions of the other party; acts or failures to act of the City or any other public or governmental agency or entity (other than the acts or failures to act of the Agency which shall not excuse performance by the Agency); 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 forty-five (45) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Agency and the Developer. Notwithstanding any provision of this Agreement to the contrary, the lack of funding to complete the Developer Improvements shall not constitute grounds of enforced delay pursuant to this Section 602.

603. Non-Liability of Officials and Employees of Agency and Developer. No member, official or employee of the Agency or the City shall be personally liable to the Developer, or any successor in interest, in the event of any Default or breach by the Agency or for any amount which may become due to the Developer or its successors, or on any obligations under the terms of this Agreement.

604. Relationship Between Agency and Developer. It is hereby acknowledged that the relationship between the Agency and the Developer is not that of a partnership or joint venture and that the Agency and the Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided herein or in the Attachments hereto, the Agency shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Site. Developer agrees to indemnify, hold harmless and defend the Agency from any claim made against the Agency arising from a claimed relationship of partnership or joint venture between the Agency and the Developer with respect to the development, operation, maintenance or management of the Site.

605. Agency Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the Agency, the Executive Director of Agency or his designee is authorized to act on behalf of Agency unless specifically provided otherwise or the context should require otherwise.

606. Commencement of Agency Review Period. The time periods set forth herein for the Agency's approval of agreements, plans, drawings, or other information submitted to the Agency by the Developer and for any other Agency consideration and approval hereunder which is contingent upon documentation required to be submitted by the Developer shall only apply and commence upon the Developer's complete submittal of all the required information. In no event shall an incomplete submittal by the Developer trigger any of the Agency's obligations of review and/or approval hereunder; provided, however, that the Agency shall notify the Developer of an incomplete submittal as soon as is practicable and in no event later than the applicable time set forth for the Agency's action on the particular item in question.

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 four (4) 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 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 includes pages 1 through 26 and

Attachment Nos. 1 through 8, which constitute 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. Attorneys' Fees. In any action between the parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees. Costs recoverable for enforcement of any judgment shall be deemed to include reasonable attorneys' fees.

610. Real Estate Brokerage Commission. Except for David Erickson of Coldwell Banker, whose commission shall be paid by Agency, Developer and Agency warrant that they have not dealt with any other broker in connection with this transaction, and each party, as to its own actions, agrees to indemnify and defend the other from all persons claiming fees or compensation in connection with this transaction.

611. Project Sign. Developer agrees to construct, erect, and maintain upon the Site during construction and until the issuance of a the Release of Construction Covenants pursuant to Section 311 of this Agreement, a project sign which identifies the development as an Agency assisted activity.

612. Ceremonies. To insure proper protocol and recognition of Agency Board members the Developer shall cooperate with Agency staff in the organization of any project-related ground breakings, grand openings or any other such inaugural events/ceremonies sponsored by the Developer celebrating the development which is the subject of this Agreement. At least two weeks prior to any such event, the Developer shall provide Agency staff with a completed Event Information Form to be supplied by the Agency upon the Developer's request.

613. Administration. This Agreement shall be administered and executed by the Agency's Executive Director, or his designated representative, following approval of this Agreement by the Agency. The Agency shall maintain authority of this Agreement through the Executive Director (or his authorized representative). The Executive Director shall have the authority to issue interpretations, waive provisions and enter into amendments of this Agreement on behalf of the Agency so long as such actions do not substantially change the uses or development permitted on the Site, or add to the costs to the Agency as specified herein as agreed to by the Agency Board, and such amendments may include extensions of time specified in the Schedule of Performance. All other waivers or amendments shall require the written consent of the Agency Board,

614. Amendments of Agreement. The Developer and the Agency agree to mutually consider reasonable requests for amendments to this Agreement. The Developer shall be responsible for the costs incurred by the Agency, including without limitation attorneys' fees (the "Developer Costs"), in connection with any amendments to this Agreement which are requested by the Developer (the "Developer Request"). The Developer shall be responsible for payment of the Developer Costs as provided in this Section 614 regardless of the outcome of the Developer Request.

615. 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. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

616. Interpretation. As used in this Agreement, 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.

617. No Waiver. A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

618. 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.

619. 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.

620. 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. 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 time.

621. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; 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, 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.

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

623. 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.

624. Conflicts of Interest. No member, official or employee of Agency 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 the Agreement which affects his personal interests or

the interests of any corporation, partnership or association in which he is directly or indirectly interested.

625. Time for Acceptance of Agreement by Agency. This Agreement, when executed by Developer and delivered to Agency, must be authorized, executed and delivered by Agency on or before twenty five (25) days after signing and delivery of this Agreement by Developer or this Agreement shall be void, except to the extent that Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

IN WITNESS WHEREOF, the Agency and the Developer have signed this Agreement on the respective dates set forth below'.

AGENCY:

RIDGECREST REDEVELOPMENT AGENCY, a public body, corporate and politic

Dated: 11/2/06, 2006

By: Harvey M. Rose
Harvey M. Rose, Executive Director

ATTEST:

Rita Gable
Rita Gable, Secretary



DEVELOPER:

CNM HOLDINGS I LTD., a Texas limited partnership

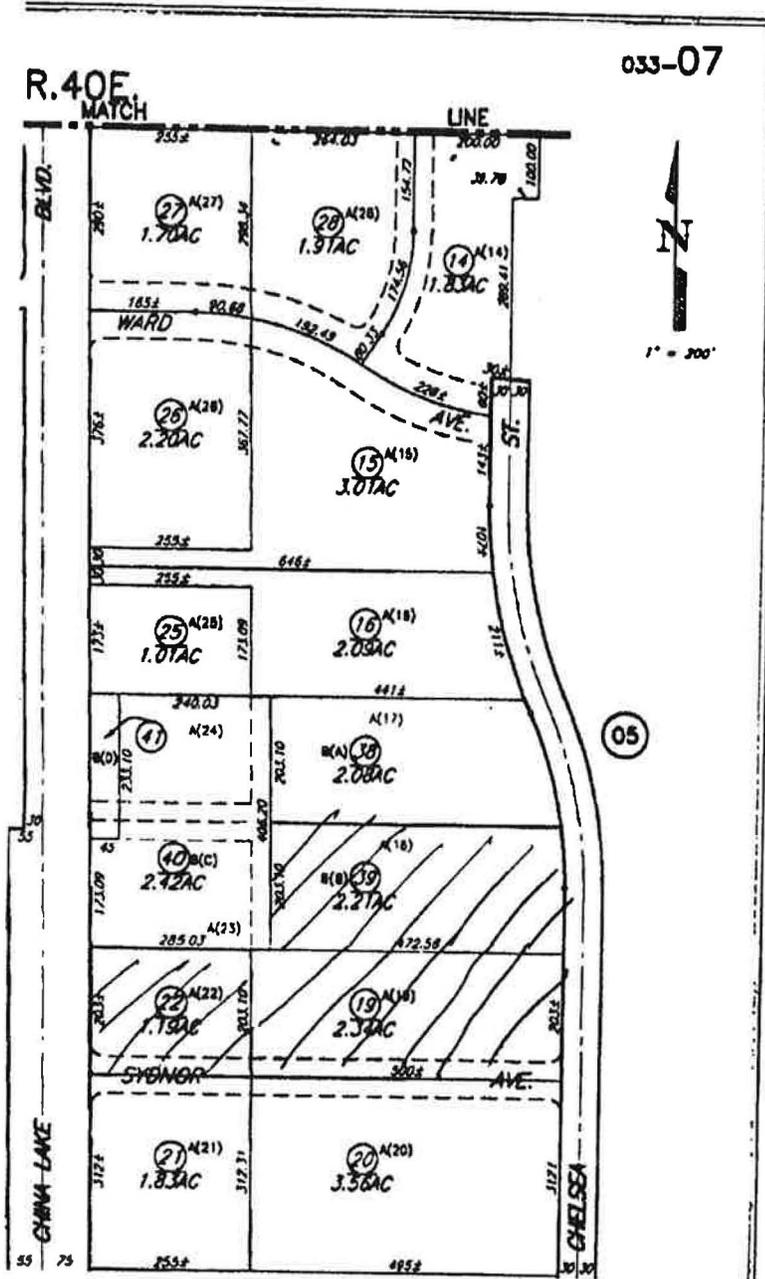
By: **CNM Holdings Management I LLC, a Texas limited liability company, its General Partner**

Dated: _____, 2006

By: Mark D. Crisci
Mark D. Crisci, Manager

ATTACHMENT NO. 1

SITE MAP



ATTACHMENT NO. 2
LEGAL DESCRIPTION

**PARCEL 18, 19 AND 22 OF PARCEL MAP 10819, AS SHOWN ON A MAP RECORDED IN
BOOK 52, PAGE 130 OF MISCELLANEOUS MAPS, RECORDS OF KERN COUNTY,
CALIFORNIA.
RIDGECREST, CALIFORNIA**

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

1. **Agency Provides Documentation of Exceptions to Title.** Agency shall provide the Developer with the Report and legible copies of the documents underlying the Exceptions set forth in the Report. Agency will order report within two (2) working days of the execution of this Agreement by Agency and City Council and will deliver a copy thereof upon receipt.
2. **Developer Approval/Disapproval of Exceptions.** Developer shall provide Agency with written notification of Developer's approval or disapproval of the Exception(s) set forth in the Report. Within thirty (30) days after Developer's receipt of legible copies of the documents underlying the Exceptions referred to in the preceding Section 1.
3. **Agency Removes Disapproved Exceptions.** If Developer provides Agency with written notification of Developer's disapproval of Exception(s) set forth in the Report, Agency may cause such disapproved Exception(s) to be removed or provide measurable assurance that such Exception(s) will be removed on or before the Closing. Within thirty (30) days after receiving written notice of Developer's disapproval.
4. **Developer Election to Proceed or Terminate.** Developer may elect to terminate this Agreement on or prior to the end of the Due Diligence Period as provided in Section 202.5 Not later than 90 days from the date of this Agreement.
5. **Opening of Escrow.** The parties shall open escrow with the Escrow Agent. Within the ten (10) business days of the execution by Agency of this Agreement.
6. **Close of Escrow.** The Escrow for the conveyance of the Disposition Site to the Developer shall close. Within thirty (30) days of the parties' satisfaction of all of Agency's and the Developer's conditions precedent but in no event later than the Outside Date unless extended pursuant to Section 202.4
7. **Submittal of Construction Drawings.** The Developer shall submit Construction Drawings for consideration by the Agency and the City. Submitted serially as soon as practical after approval of this Agreement.

- | | |
|---|---|
| 8. <u>Consideration of Construction Drawings by the Agency.</u> The City shall consider and approve or disapprove the Construction Drawings submitted by the Developer. | Within thirty (30) business days of the Developer's submittal of the Construction Drawings. |
| 9. <u>Start of Construction of Hotel.</u> The Developer shall start grading and construction of the hotel on the Site. | On or before 180 days following Developer's obtaining all requisite permits and approvals but in any event not beyond 24 months from the Date of this Agreement. |
| 10. <u>Start Construction of Office Building.</u> Developer shall commence construction of the office building on the Site. | Within 36 months of issuance of a certificate of occupancy of office space located at 105 E. Sydnor Avenue, Ridgecrest, CA or within 12 months following the date that the office space referred to herein is 80% leased, whichever occurs first. The Agency will conduct biannual reviews of Developer's progress for construction of office building. |
| 11. <u>Start of Construction of Restaurant.</u> Developer shall have entered into an agreement for the sale and development of a casual dining restaurant. | Within 36 months of issuance of the certificate of occupancy referred to in item 10. |
| 12. <u>Submittal of Certificates of Insurance.</u> Developer shall furnish all Certificates of Insurance as required pursuant to Section 307 of the Agreement. | Prior to commencement of construction of Developer Improvements. |
| 12. <u>Completion of Construction of Hotel.</u> Subject to the provisions of Section 602 of this Agreement, the Developer shall complete the Developer Improvements. | Within sixteen months from the start of construction pursuant to paragraph 9 above. |

It is understood that the foregoing Schedule of Performance is subject to all terms and conditions set forth of this Agreement. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any inconsistency between this Schedule of Performance and the text of this Agreement, the text shall govern.

The time periods set forth herein for the City's approval of plans and drawings, and other submittals, submitted to the City by the Developer shall only apply and commence upon the Developer's complete submittal of all the required information. In no event shall an incomplete submittal by the Developer trigger any of the City's obligations of review and/or approval hereunder; provided, however, that the City shall notify the Developer of an incomplete submittal as soon as is practicable and in no event later than the applicable time set forth for the Agency's action on the particular item in question.

ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

I. DEVELOPMENT STANDARDS OVERVIEW

The Improvements to be constructed on the Site shall be of high architectural quality, shall be well landscaped, and shall be effectively and aesthetically designed consistent with a concrete tilt-up, masonry building or such other material as may be approved by the City. The Developer's plans, drawings, and proposals submitted to the City for approval shall describe in reasonable detail the architectural character intended for the Improvements. The total development shall be in conformance with the Redevelopment Plan for the Ridgecrest Redevelopment Project and the recorded Covenants Conditions and Restriction (CC&R's)

II. DEVELOPER IMPROVEMENTS

The Developer shall develop at Developer's expense a 23,000 to 30,000 sq. ft. office building, and a 82-92 room Hampton Inn and Suites Hotel or equivalent and a casual dining restaurant similar to, but not limited to, Chili's or Applebee's. The Developer shall be responsible for the design and construction of the Site. The facility shall be developed in accordance with the Developer's plans, drawings and proposals submitted to and as approved by the Agency and the City. Additionally, the Developer shall comply with any conditions of approval for on-site and offsite development improvements, subject to the provisions of Section 305, which may be prescribed under any discretionary permits required for approval of the Developer's proposal. The facility shall be developed in accordance with development standards of the City of Ridgecrest.

III AGENCY IMPROVEMENTS

The Agency shall be responsible for providing necessary utilities to the Site, including water, sewer and electricity.

This Page Intentionally Left Blank

This Page Intentionally Left Blank

**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT: A Resolution Authorizing The City Manager To Sign The Notice Of Completion, Authorizing The City Clerk To File The Notice Of Completion And Authorizing The Release Of Retention On The South China Lake Boulevard Project: Upjohn Avenue to Bowman Avenue

PRESENTED BY:
Dennis Speer, Public Works Director

SUMMARY:
Griffith Company finished the project that consisted of road rehabilitation of both north and south bound lanes on the South China Lake Boulevard Project from Upjohn Avenue to Bowman Avenue. City Council awarded a contract to Griffith Company on, September 2 2014 in the amount of \$619,916.00. The final contract amount including all change orders is \$683,942.89. Work has been completed and, with the exception of retention in the amount of \$34,197.15 (5%), the contractor, Griffith Company has been paid in full. During the course of construction some deletions and additions were necessary. The total change order percentage is 10.33% over the original contract amount.

This project was funded by Regional Surface Transportation Project and the funds made available to the project were \$498,424.00. The local match was \$71,576.00. The difference of funds in the amount of \$128,942.89 between the available project funds and the final contract amount has been taken from Measure L Tax Funds for Fiscal Year 14-15.

The project was completed on October 31, 2014.

The City will authorize release of retention thirty days from the filing of the Notice of Completion as long as no claims have been filed against the retained funds.

FISCAL IMPACT:\$34,197.15

Reviewed by Finance Director

ACTION REQUESTED:

- 1.) Authorize the City Manager to sign the Notice of Completion,
- 2.) Authorize the City Clerk to file the Notice of Completion,
- 4.) Authorize release of retained funds in the amount of \$34,197.15 thirty (30) days after recordation of the Notice of Completion.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Dennis Speer
(Rev. 02/13/12)

Action Date: February 4, 2015

This Page Intentionally Left Blank

RESOLUTION NO. 15-XX

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN THE NOTICE OF COMPLETION, AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION AND AUTHORIZING THE RELEASE OF RETENTION ON THE SOUTH CHINA LAKE BOULEVARD PROJECT: UPJOHN AVENUE TO BOWMAN AVENUE

WHEREAS, Griffith Company finished the project that consisted of a road rehabilitation of both north and south bound lanes on the South China Lake Boulevard Project from Upjohn Avenue to Bowman Avenue; and

WHEREAS, City Council awarded a contract to Griffith Company on September 2, 2014 in the amount of \$619,916.00; and

WHEREAS, this project was funded by Regional Surface Transportation Project and the funds made available to the project were \$498,424.00; and

WHEREAS, the local match was \$71,576.00; and

WHEREAS, during the course of construction deletions and additions to the scope of the project were made necessary due to changed field conditions; and

WHEREAS, a final contract amount including all change orders is \$683,942.89; and

WHEREAS, the difference of funds \$128,942.89 between the available project funds and the final contract amount has been taken from Measure L Tax Funds for Fiscal Year 14-15; and

WHEREAS, authorizing the City Manager, Dennis Speer, to sign the Notice of Completion and the City Clerk to file the notice of completion is hereby requested; and

WHEREAS, retained funds to date in the amount of \$34,197.15 (5%) of the final construction cost will be withheld until 30 days after recordation of the notice of completion; and

WHEREAS, Staff is requesting authorization to release the retained funds in the amount of \$34,197.15 thirty (30) days after the recordation of the notice of completion providing no claims have been filed against said retained funds.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Ridgecrest hereby

- 1) Authorizes the City Manager to sign the Notice of Completion.

- 2) Authorizes the City Clerk to file the notice of completion for recordation for the project.
- 3) Authorizes City Staff to release the retained funds in the amount of \$34,197.15 thirty (30) days after recordation of the notice of completion providing no claims have been filed against said retained funds.

APPROVED AND ADOPTED this 4th day of February by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

Recording Requested By:

CITY OF RIDGECREST

When Recorded Mail to:

City of Ridgecrest
City Clerk
100 West California Avenue
Ridgecrest, CA 93555

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

- 1. The undersigned is **OWNER** or Agent of the **OWNER** of the interest or estate stated below in the property hereinafter described.
- 2. The **FULL NAME** of the **OWNER** is City of Ridgecrest
- 3. The **FULL ADDRESS** of the **OWNER** is 100 West California Avenue, Ridgecrest, CA 93555
- 4. The **NATURE OF THE INTEREST** or **ESTATE** of the undersigned is: In Fee.

(if other than fee, Strike "In Fee" and insert, for example, "Purchaser under contract of purchase," or "Lessee.")

- 5. The **FULL NAMES** and **FULL ADDRESSES** of **ALL PERSONS**, if any, **WHO HOLD SUCH INTEREST** or **ESTATE** with the undersigned as **JOINT TENANTS IN COMMON** are:

Names

Addresses

- 6. The full names and full addresses of the predecessors in interest of the undersigned if the property was transferred subsequent to the commencement of the work of improvement herein referred to:

Names

Addresses

- 7. A work of improvement on the property hereinafter described was **COMPLETED** October 31, 2014

- 8. The work of improvement completed is described as follows: South China Lake Blvd Pavement Rehabilitation Project, STPL – 5385 (047)

- 9. The **NAME OF THE ORIGINAL CONTRACTOR**, if any, for such work of improvement is: Griffith Company

- 10. The street address of said property is: South China Lake Blvd between Upjohn Ave and Bowman Rd

- 11. The property on which said work of improvement was completed is in the City of Ridgecrest County of Kern, State of California, and is described as follows:

Date

Dennis Speer, City Manager

Verification for **INDIVIDUAL** owner

I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the owner of the aforesaid interest or estate in the property described in the above notice; that I have said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

Date and Place

Signature of Owner named in paragraph 2

Verification for **NON-INDIVIDUAL** owner: I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the **City Manager** of the aforesaid interest or estate in the property described in the above notice; that I have read the said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

Date and Place

Dennis Speer, City Manager

SUBSCRIBED AND SWORN TO before me on _____

Rachel Ford, City Clerk

This Page Intentionally Left Blank

7

This Page Intentionally Left Blank

**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

A Resolution Of The Ridgecrest City Council Accepting A Right of Way Agreement and Offer of Dedication From Chaudhry A. Razaq and Shamin A. Razaq For APN 477-010-07, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The Mayor To Sign The Escrow Instructions and Certificate of Acceptance, And Authorizing The Mayor and City Manager To Sign the Right of Way Agreement And Approve And Allocation Of \$32,187.00 For Fee Interest In The Dedicated Portion Of The Parcel

PRESENTED BY:

Dennis Speer, City Manager / Director of Public Work

SUMMARY:

The Ridgecrest Boulevard Reconstruction Project required additional Right Of Way in order to relocate power poles and to widen Downs Street. Negotiations between the City of Ridgecrest and Chaudhry A. and Shamin A. Razaq have reached a mutual agreement for the allocation of funds in the amount of \$32,187.00. Funds for the fees will come from the TAB Allocation Funds that were dedicated for the West Ridgecrest Boulevard Project and be transferred the West Ridgecrest Boulevard Project ST0101 expenditure line item 018-4760-430-2106.

The owner of the above property hereby grants to the City of Ridgecrest in a Grant Deed, dedication for ingress, egress and road purposes on, over and across the described property. The owner also in the above described dedication grants to the City of Ridgecrest the right to go on said property and to perform all acts necessary for the ownership of said improvements and the described dedication are to be kept open, clear and from buildings, and structures of any kind.

Attached are the Escrow Instructions, Right of Way Agreement, Grant Deed, Legal Description, Plat Map And Certificate Of Acceptance.

FISCAL IMPACT: \$32,187.00 plus cost for title insurance, escrow and recording fees.
Reviewed by Finance Director

ACTIONS REQUESTED:

1. Accept the Offer of Dedication for APN 447-010-77.
2. Authorize the Mayor, Peggy Breeden, to execute the Escrow Instructions, Right of Way Agreement, and Certificate of Acceptance.
3. Authorize the City Manager, Dennis Speer, to execute the Right of Way Agreement
4. Approve and allocate \$32,187.00 for fee interest in the dedicated portion of the parcel

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Karen Harker

Action Date: February 4, 2015

This Page Intentionally Left Blank

RESOLUTION NO. 15-XX

A RESOLUTION OF THE RIDGECREST CITY COUNCIL ACCEPTING A RIGHT OF WAY AGREEMENT AND OFFER OF DEDICATION FROM CHAUDHRY A RAZAQ AND SHAMIN A. RAZAQ FOR APN 477-010-07, IN THE CITY OF RIDGECREST, COUNTY OF KERN, STATE OF CALIFORNIA AND AUTHORIZING THE MAYOR TO SIGN THE ESCROW INSTRUCTIONS AND CERTIFICATE OF ACCEPTANCE, AND AUTHORIZING THE MAYOR AND CITY MANAGER TO SIGN THE RIGHT OF WAY AGREEMENT AND APPROVE AND ALLOCATION OF \$32,187.00 FOR FEE INTEREST IN THE DEDICATED PORTION OF THE PARCEL

WHEREAS, The West Ridgecrest Boulevard Reconstruction And Widening Project required additional Right Of Way in order to relocate power poles and to widen Downs Street; and

WHEREAS, the above Offer of Dedication is necessary to construct the improvements for power pole relocations and Downs Street improvements; and

WHEREAS, negotiations between the City of Ridgecrest and Chaudhry A and Shamin A. Razaq have reached a mutual agreement for the allocation of funds in the amount of \$32,187.00.

WHEREAS, funds for the fees will come from the TAB Allocation Funds that were dedicated to the West Ridgecrest Boulevard Project, and

WHEREAS, these dedicated funds will be transferred to the West Ridgecrest Boulevard Project ST0101 expenditure line item 018-4760-430-2106; and

WHEREAS, the owner of the above property, hereby grants to the City of Ridgecrest, in a Grant Deed, dedication for ingress, egress and road purposes on, over and across the described property, and

WHEREAS, the above described dedication grants to the City of Ridgecrest the right to go on said property and to perform all acts necessary for the ownership of said improvements, and

WHEREAS, the described dedication are to be kept open, clear and from buildings, and structures of any kind.

WHEREAS, attached are the Escrow Instructions, Right of Way Agreement, Grant Deed, Legal Description, Plat Map and Certificate of Acceptance

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Accepts a Right Of Way Agreement and Grant Deed from Chaudhry A and Shamin A. Razaq for Apn 477-010-07 at a cost of \$32,187.00.
2. Authorizes the Mayor to sign the Escrow Instructions and Certificate Of Acceptance
3. Authorizes the Mayor and City Manager to sign the Right Of Way Agreement
4. Approves and the Allocation of \$32,187.00 for fee interest in the dedicated portion of the parcel
5. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.

APPROVED AND ADOPTED this 4th day of February 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant dated January 12, 2015 from Chaudhry A. Razaq and Shamin A. Razaq to the City of Ridgecrest, a political corporation and/or governmental agency, is hereby accepted by order of the undersigned officer or agent on behalf of the Ridgecrest City Council pursuant to authority conferred by Resolution _____ of the Ridgecrest City Council adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____

By _____
Authorized signer, City of Ridgecrest

This Page Intentionally Left Blank

RECORDING REQUESTED BY:

First American Title Co.

WHEN RECORDED RETURN TO:

City of Ridgecrest

No Fee Document – per Government code 6103
No Document Transfer Tax – Per R&T Code 11922

Space above this line for Recorder's Use

GRANT DEED

Grantors	Grantee	County	Street	City	Assessors' Parcel Number
Chaudhry and Shamin Razaq	City of Ridgecrest	Kern	West Ridgecrest Boulevard	Ridgecrest California	477-010-07

Chaudhry A Razaq and Shamin A. Razaq, Husband and Wife as Joint Tenants_(Grantor) does hereby GRANT to the City of Ridgecrest (City) a California municipal corporation of the State of California (Grantee) all that real property in the City of Ridgecrest, Kern County, State of California, described as:

SEE EXHIBIT "A", LEGAL DESCRIPTION, ATTACHED HERETO AND MADE A PART HEREOF

The grantor further understands that the present intention of the grantee is to construct and maintain a public roadway on the lands hereby conveyed in fee and the grantor, for itself, its successors and assigns, hereby waives any claims for any and all damages to grantor's remaining property contiguous to the property hereby conveyed by reason of the location, construction, landscaping or maintenance of said roadway.

Date: 01-12-15, 2010.

By: Chaudhry A Razaq
Chaudhry A Razaq

By: Shamin A Razaq
Shamin A. Razaq

EXHIBIT "A"

SHEET 1 OF 2

Being a portion of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼) of Section 4, Township 27 South, Range 40 East, Mount Diablo Base and Meridian, situated in the City of Ridgecrest, County of Kern, State of California, more particularly describes as follows:

Beginning at the most southeasterly corner of the south line of the dedicated right-of-way created by Resolution No. 384, as approved February 17, 1972, recorded in Book 4648, Page 692, Official Records of said County; thence along the east line of the Northwest Quarter (NW ¼), of said Section 4, South 00°28'39" West, 10.00 feet to a line 10.00 feet south of and parallel with the existing south right-of-way of West Ridgecrest Boulevard (45.00 feet wide); thence along said line, South 89°53'12" West, 255.69 feet; thence, South 45°09'29" West, 28.42 feet to a line 25.00 feet east of and parallel with the existing east right-of-way of North Downs Street (30.00 feet wide); thence along said line, South 00°25'46" West, 257.49 feet; thence, South 89°50'14" West, 25.00 feet to the east right-of-way of said North Downs Street; thence along said right-of-way, North 00°25'46" East, 267.94 feet; thence, South 89°34'14" East, 25.00 feet to the beginning of a non-tangent curve concave southeasterly and having a radius of 20.00 feet; a radial bearing to said curve bears South 89°34'14" East; thence, northeasterly along said curve to the right through a central angle of 89°27'25", through an arc length distance of 31.23 feet to the existing right-of-way of West Ridgecrest Boulevard (45.00 feet wide); thence along said line, North 89°53'12" East, 255.89 feet to the **Point of Beginning**.

Containing 9,568 square feet more or less.

This real property description has been prepared by me, or under my direction in conformance with the Professional Land Surveyors Act.



Gregory L. Rice
Licensed Land Surveyor
California No. 8201



8/21/14

Date

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 Kern)

On 1-12-2015 before me, Janis Bottorff, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Chaudhry A. Razag & Shamim A. Razag
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 Janis Bottorff
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: Grant Deed 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: _____

This Page Intentionally Left Blank

EXHIBIT A
FEE LEGAL DESCRIPTION

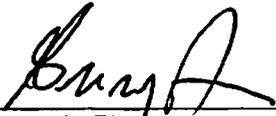
EXHIBIT "A"
SHEET 1 OF 2

Being a portion of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼) of Section 4, Township 27 South, Range 40 East, Mount Diablo Base and Meridian, situated in the City of Ridgecrest, County of Kern, State of California, more particularly describes as follows:

Beginning at the most southeasterly corner of the south line of the dedicated right-of-way created by Resolution No. 384, as approved February 17, 1972, recorded in Book 4648, Page 692, Official Records of said County; thence along the east line of the Northwest Quarter (NW ¼), of said Section 4, South 00°28'39" West, 10.00 feet to a line 10.00 feet south of and parallel with the existing south right-of-way of West Ridgecrest Boulevard (45.00 feet wide); thence along said line, South 89°53'12" West, 255.69 feet; thence, South 45°09'29" West, 28.42 feet to a line 25.00 feet east of and parallel with the existing east right-of-way of North Downs Street (30.00 feet wide); thence along said line, South 00°25'46" West, 257.49 feet; thence, South 89°50'14" West, 25.00 feet to the east right-of-way of said North Downs Street; thence along said right-of-way, North 00°25'46" East, 267.94 feet; thence, South 89°34'14" East, 25.00 feet to the beginning of a non-tangent curve concave southeasterly and having a radius of 20.00 feet; a radial bearing to said curve bears South 89°34'14" East; thence, northeasterly along said curve to the right through a central angle of 89°27'25", through an arc length distance of 31.23 feet to the existing right-of-way of West Ridgecrest Boulevard (45.00 feet wide); thence along said line, North 89°53'12" East, 255.89 feet to the **Point of Beginning**.

Containing 9,568 square feet more or less.

This real property description has been prepared by me, or under my direction in conformance with the Professional Land Surveyors Act.



Gregory L. Rice
Licensed Land Surveyor
California No. 8201



8/21/14

Date

This Page Intentionally Left Blank

EXHIBIT B
EASEMENT LEGAL DESCRIPTION

EXHIBIT "A"
SHEET 1 OF 2

Being a portion of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼), of the Northwest Quarter (NW ¼) of Section 4, Township 27 South, Range 40 East, Mount Diablo Base and Meridian, situated in the City of Ridgecrest, County of Kern, State of California, more particularly describes as follows:

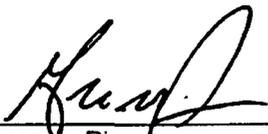
Being a strip of land 4.00 feet wide, lying 2.00 feet on each side of and parallel with, The following described centerline:

Commencing at the most southeasterly corner of the south line of the dedicated right-of-way created by Resolution No. 384, as approved February 17, 1972, recorded in Book 4648, Page 692, Official Records of said County; thence along the east line of the Northwest Quarter (NW ¼), of said Section 4; thence, South 00°28'39" East, 10.00 feet to a line 10.00 feet south of, and parallel with, the existing south right-of-way of West Ridgecrest Boulevard (45.00 feet wide); thence along said line, South 89°53'12" East, 255.69 feet; thence, South 45°09'29" West, 28.42 feet to a line 25.00 feet east of and parallel with the existing east right-of-way of North Downs Street (30.00 feet wide); thence along said line, South 00°25'46" West, 25.46 to the **True Point of Beginning**; thence, South 89°59'53" East, 20.00 feet to the **Point of Terminus**.

The side lines of said strip are to terminate southerly at the new north right-of way.

Containing 80 square feet more or less.

This real property description has been prepared by me, or under my direction in conformance with the Professional Land Surveyors Act.



Gregory L. Rice
Licensed Land Surveyor
California No. 8201



Date 8/21/14

This Page Intentionally Left Blank

City	County	Street	E. A.	Project	Grantee	Grantor	APN
Ridgecrest	Kern		BRI 09110-B	West Ridgecrest Boulevard Improvement	City of Ridgecrest	Chaudhry A. Razaq and Shamin A. Razaq	477-010-07

Ridgecrest, California

October 29, 2014

Chaudhry A. and Shamin A. Razaq

Grantor

CITY OF RIDGECREST RIGHT OF WAY AGREEMENT

Document Number 47701007-1, in the form of a Grant Deed to the City of Ridgecrest (City) covering a 0.22± acre (9,568± square foot) portion and Document Number 47701007-2, in the form of a Easement Deed to Southern California Edison (SCE) covering a 0.001± acre (80 square foot) portion of Grantors 1.97± acre Real Property situated on West Ridgecrest Boulevard as delineated on the plat map and particularly described in the legal description, labeled "Exhibit A" and "Exhibit B" attached hereto and made a part hereof and has been executed and delivered to, Jeff Aldal, Right of Way Agent, acting as Agent for the City of Ridgecrest by Chaudhry A Razaq and Shamin A. Razaq, Husband and Wife as Joint Tenants (Grantor).

In consideration of which, and the other conditions hereinafter set forth, it is mutually agreed as follows:

- A. The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said document and shall relieve City of all further obligations or claims on this account, or on account of the location, grade or construction of the proposed public improvement.
- B. City desires to acquire said property described in Exhibit "A" for roadway and streetscape improvement purposes a public use for which Grantee has the authority to exercise the power of eminent domain. Grantor(s) is compelled to sell, and Grantee is compelled to acquire the property.
- C. City desires to acquire said property described in Exhibit "B" for installation of a guy pole/anchor and appurtenances.
- D. Both Grantor(s) and Grantee recognize the expense, time, effort, and risk to both parties in determining the compensation for the property by eminent domain litigation. The compensation set forth herein for the property is in compromise and settlement, in lieu of such litigation.

2. The City of Ridgecrest shall:

- (A) Pay the undersigned Grantor the sum of **\$32,187.00** for the property or interests therein conveyed by the above document numbers 47701007-1 and , 47701007-2 when title to said property vests in County free and clear of all liens, encumbrances, assessments, easements and leases (recorded and/or unrecorded) and taxes, except:
 - a. Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the close of escrow.
 - b. Covenants, conditions, restrictions and reservations of record, or contained in the above-referenced document.
 - c. Easements or rights of way over said land for public or quasi-public utility or public street purposes, if any.
- (B) Pay all escrow and recording fees for this transaction, and if title insurance in the amount of \$32,187.00 is desired by City, the premium charged therefore. Said escrow and recording charges shall include documentary transfer tax. This transaction will be handled through an escrow with Fidelity National Title Company, Escrow No. FSSE-0101400173-PA located at 2150 John Glenn Drive, Suite 400, Concord, CA 94520.

-----No Obligation Other Than Those Set Forth Herein Will Be Recognized-----

3. It is agreed and understood that the City's offer of Just Compensation is based on a Fair Market Value Appraisal of the 0.22± acre portion in Fee and 80 square foot portion in Easement of the 1.97± acre subject property located at 825 West Ridgecrest Boulevard, situated within the limits of the City of Ridgecrest, Kern County, California, further identified as APN 477-010-07 obtained by City.
4. It is agreed and understood at the time of construction and at no cost to the Owner, the City shall construct and conform a driveway approach to access Owner's property. The center of the driveway approach shall connect to Downs Street, approximately 130 feet from its intersection with Ridgecrest, or as local codes and ordinances allow.
5. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, that City or its authorized agents or contractors may enter upon the Property described herein for the purposes of performing activities related to and incidental to the construction of the project, inclusive of the right to remove and dispose of any improvements prior to Grantor receiving the Purchase Price through escrow. Such possession and use of the property by City will commence on the date of execution of this agreement.
6. Grantor warrants that there are no oral or written leases on the portion of the property desired by City exceeding a period of one month.
7. City agrees to indemnify and hold harmless the undersigned Grantor from any liability arising out of City's construction operations under this agreement. City further agrees to assume responsibility for any damages proximately caused to Grantor's remainder property by reason of City's construction operations under this agreement and City, at its option, shall either repair or pay for such damage.
8. It is understood and agreed by and between the parties hereto that this Agreement inures to the benefit of, and is binding on, the parties, it/their respective heirs, personal representatives, successors, and or assignees.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK

-----**No Obligation Other Than Those Set Forth Herein Will Be Recognized**-----

IN WITNESS WHEREOF, the parties have executed this Agreement on 2/12/15 as follows:

CITY OF RIDGECREST

By: _____
Chairman of the City Council

ATTEST:

By: _____
Deputy Clerk

**APPROVED AS TO CONTENT:
Department of Public Works**

By: _____
Public Works Director

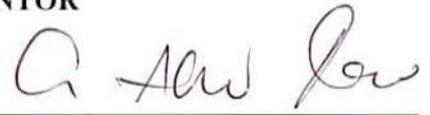
**APPROVED AS TO FORM:
City Counsel**

By: _____
City Counsel

RECOMMENDED FOR APPROVAL:

By:  _____
Jeff Aldal
Right of Way Agent
Bender Rosenthal Inc.

GRANTOR

By:  _____
Chaudhry A. Razaq

By:  _____
Shamin A. Razaq

This Page Intentionally Left Blank



ESCROW INSTRUCTIONS

Fidelity National Title Company
Escrow Officer: Paul Avila
2150 John Glenn Drive, Suite 400
Concord, CA 94520

Owner: Razaq Chaudhry and Shamin
Escrow No: FSSE-0101400173-PA
Preliminary Date: August 1, 2014
Project: West Ridgecrest Blvd. Improvements
APN: 477-010-07
BRI No: 09110

Dear Mr. Avila:

This escrow will be closed in accordance with the Agreement executed by your company and the City of Ridgecrest. Chaudhry A Razaq and Shamin A. Razaq, Husband and Wife as Joint Tenants and the City of Ridgecrest have entered into a right of way agreement for acquisition of a portion of their property wherein the transaction is a purchase of real property for a public project. The following items have been checked to indicate the method in which this escrow is to be closed:

- Policy of Title insurance shall be issued in the amount of \$32,187.00.
- Enclosed is the Right of Way Agreement.
- Enclosed are the Grant Deed and Easement Deed with attached Certificate of Acceptances.
- Any taxes due shall be paid current from this escrow.

THE FOLLOWING EXCEPTION(S) MAY APPEAR IN THE TITLE POLICY:

<u>Exception No.</u>	<u>Description</u>	<u>Justification</u>
1, 2	Property taxes	Paid current through this escrow
3,4,5,6,7,8,9	Rights, matters	City use compatible

THE FOLLOWING MUST NOT APPEAR IN THE TITLE POLICY:

<u>Exception No.</u>	<u>Description</u>	<u>Justification</u>
10	Deed of Trust	if needed, partial reconveyance
11	Corp Review	exception will be eliminated

OTHER INSTRUCTIONS: The City of Ridgecrest will pay for all costs of escrow and title insurance policy. The original policy together with two copies of title insurance, all recorded documents, and your billing, should be sent to my attention at the close of escrow.

INSTRUCTIONS FROM SELLERS: In addition to the foregoing, you are hereby authorized to record and/or deliver the attached document(s) to the City of Ridgecrest upon receipt of warrant in the amount of Thirty Two Thousand One Hundred Eighty Seven Dollars (\$32,187.00) from the City of Ridgecrest payable to Chaudhry A Razaq and Shamin A. Razaq, Husband and Wife as Joint Tenants .

City of Ridgecrest
100 West California Ave.
Ridgecrest, CA



GRANTOR:

Date: 01-12-15

By: Ch. A. Razaq
Chaudhry A Razaq

By: Shamin A Razaq
Shamin A. Razaq

THE CITY OF RIDGECREST:

Date: 01-12-15

By: _____

Any questions should be directed to the undersigned.

Jeff Aidal
Bender Rosenthal, Inc.
4400 Auburn Blvd., Suite 102
Sacramento, CA 95841
(916) 978-4900

This Page Intentionally Left Blank

**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

SUBJECT:

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of January 21, 2015

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of January 21, 2015

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

This Page Intentionally Left Blank



**MINUTES OF THE REGULAR MEETING OF THE
RIDGECREST CITY SUCCESSOR AGENCY,
FINANCING AUTHORITY, AND HOUSING AUTHORITY**

**City Council Chambers
100 West California Avenue
Ridgecrest, California 93555**

**January 21, 2015
5:30 p.m.**

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded solely for the purpose of preparation of minutes.

CALL TO ORDER

ROLL CALL

Council Present: Mayor Peggy Breeden; Mayor Pro Tempore James Sanders; Vice Mayor Lori Acton; Council Members Eddie B. Thomas, and Mike Mower

Council Absent: None

Staff Present: City Manager Dennis Speer; City Clerk Rachel J. Ford; City Attorney Keith Lemieux (via Teleconference) and Michael Silander; and other staff

APPROVAL OF AGENDA

Items Pulled From The Agenda:

- *Closed Session*
 - GC54956.8 Local Agency Real Property Negotiations – Negotiations For Sale, Lease, Or Purchase – Leroy Jackson Park – Agency Negotiators City Manager Dennis Speer And Recreation Supervisor Jason Patin
- *Regular Session*
 - 15. Presentation Of Tax Allocation Bond (TAB) Funding Possibilities For The Downs Street Project Between West Ridgecrest Blvd. And Upjohn Avenue Speer

Dennis Speer

- Explained inconsistencies between data tables and is working to resolve the issue. Plan to bring back to Council mid-February.

Motion To Approve Agenda As Amended Made By Council Member Sanders, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members, Sanders, Acton, Thomas And Mower); 0 Noes; 0 Abstain; 0 Absent

PUBLIC COMMENT – CLOSED SESSION

Ronald Porter

- Understands legal requirements for closed session and mandates. Does not believe titles have enough information to meet the mandates. Requested information about claims.
- Exemplified potential litigation, does not believe is legal.
- Request attorney bring items back for open session.
- Attorney report should be done in closed session.
- Understand reasoning behind closed doors, but attorney report should include action.
- Asked Council to consider providing more information so public has idea of what suits are about before settlements are made.

Michael Silander

- Attorney understands the scope of what must be on the agenda as well as what can be disclosed. All settlements are reported once made.

Ronald Porter

- Stated past claims have not been reported.
- Disagrees with attorney and has read the laws.
- Asked attorney to check the law.

CLOSED SESSION

GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – City Of Ridgecrest v. Matasantos

GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Eva Balfour v. City Of Ridgecrest

GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Squillacote v. City Of Ridgecrest

GC54956.9 (d) (4) Conference With Legal Counsel – Anticipated Litigation – Public Disclosure Of Potential Litigant Would Prejudice The City Of Ridgecrest (2 Cases)

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

January 21, 2015

Page 3 of 20

Closed Session *(continued)*

- GC54956.8 Successor Redevelopment Agency Real Property Negotiations – Negotiation For Sale, Lease, Or Purchase – APN 033-071-20 and a portion of 21, (K-Partners) – Agency Negotiators City Manager Dennis Speer And Economic Development Program Manager Gary Parsons
- GC54956.8 Local Agency Real Property Negotiations – Negotiations For Sale, Lease, Or Purchase – Leroy Jackson Park – Agency Negotiators City Manager Dennis Speer And Recreation Supervisor Jason Patin
- GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Paul And Sons – Claim No. 14-16

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
 - Local Agency Real Property Negotiations – Negotiations For Sale, Lease, Or Purchase – Leroy Jackson Park – Agency Negotiators City Manager Dennis Speer And Recreation Supervisor Jason Patin
 - pulled prior to approval of the agenda
 - Conference With Legal Counsel – Existing Litigation – City Of Ridgecrest v. Matasantos
 - Report Received, no reportable action
 - Conference With Legal Counsel – Existing Litigation – Eva Balfour v. City Of Ridgecrest
 - Report Received, no reportable action
 - Conference With Legal Counsel – Existing Litigation – Squillacote v. City Of Ridgecrest
 - Report Received, no reportable action
 - Conference With Legal Counsel – Anticipated Litigation – Public Disclosure Of Potential Litigant Would Prejudice The City Of Ridgecrest (2 Cases)
 - One case Report Received, no reportable action
 - Successor Redevelopment Agency Real Property Negotiations – Negotiation For Sale, Lease, Or Purchase – APN 033-071-20 and a portion of 21, (K-Partners) – Agency Negotiators City Manager Dennis Speer And Economic Development Program Manager Gary Parsons
 - Report Received, no reportable action
 - Conference With Legal Counsel – Liability Claim Of Paul And Sons – Claim No. 14-16
 - Denied, City Clerk instructed to issue letter of rejection

➤ Other

- Presentation of Report regarding investigation of Counsel Member Employment
- Michael Silander provided report
 - Alleged conflict of interest of employment of Council Member Lori Acton reviewed.
 - Attorney looked into matter and interviewed parties and found no conflict of interest existed.
 - Explained circumstances that would have caused conflict of interest and found that none of these had occurred.
 - Letter submitted to Council with Attorney's opinion on the matter.
 - Cautioned that current status could potentially hamper City's ability to enter into new contracts, even if Council Member Acton recuses herself from the discussions.
 - Regarding discussions without contract amendments or new contracts, Ms. Acton can recuse herself and Council can make decisions.

Jim Sanders

- Asked if City's inability to enter contract only exist during term in office

Peggy Breeden

- Asked if the current situation would affect the funding milestones
 - Ms. Acton would have to recuse herself and Council could not change the terms of the contract

Michael Silander

- Affects any funding that affects Pertexa.

Peggy Breeden

- Read a letter from Carol Wilson into the record.

Public Comment – Attorney Report

Robert Eierman

- Don't think anyone would accuse me of being a political ally of Council member Acton
- Met with Ms. Acton on air at KZNG and interviewed her.
- In both sessions she answered very tough, accusatorial question with all honesty and directness and I personally don't believe anything inappropriate happened.
- Do not think there is a reason for anyone to think something inappropriate happened and asked Council member Acton to NOT resign.

Dave Matthews

- Thanked Robert for his views.
- Have worked with Ms. Acton prior to election to Council
- Admit she is one of the few Council persons whose sign I put in my yard for election
- Do not think she is the type of person who would take advantage of a situation like this and I too believe she should not resign.

Al Huey

- Participated in discussions with Ms. Acton and unless something is uncovered that is in violation with the law prior to the votes in June and August, there is no evidence of illegal activity and thought we were in a county that supports innocent until proven guilty.

Jerry Taylor

- To me I would look to the broader issue, the thing lacking within the City of Ridgecrest is we have legal counsel for opinion but we do not have anyone to give an ethical opinion.
- Suggested having an ethical Council who would not determine if something is legal but whether it is ethical.

Ronald Porter

- Appreciate Lori did not hide and put this out for the public to see.
- Think it is good for the City to learn from that practice.

PUBLIC COMMENT

Dave Matthews

- Spoke on actions within the City regarding article in the Daily Independent regarding the no U-turn sign near the drive thru dairy.
- What has taken place is the dairy owner complained about the No U-turn and mentioned it to the Mayor during a chamber of commerce meeting, Mayor then went to City hall and the next day the sign was taken down.
- Sounds like a noble thing to do but not sure if this is the type of action I like to see out of Council.
- Spoke on Downey Hall in New York City
- Have not heard a valid reason of why the sign came down.
- Because the Mayor or a Council member or community member complains about something and then it is changed, does not look good.
 - Peggy Breeden – had been told there would not be a No U-turn sign there. Called Mr. Speer and confirmed. Next morning a sign appeared so called Dennis again. He said it wasn't supposed to be there so he took it down.

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

January 21, 2015

Page 6 of 20

- Dennis Speer – confirmed Mayor Breeden’s account. Personally viewed the intersection with no sign and the next day a sign was up. Contractor was working off an old set of plans that had not been revised.
- Mike Mower – commented on the locations where a U-turn is allowed and this is consistent with other sections of the City.

Jerry Taylor

- Spoke on bicycle safety and fog lines lacking on several streets
- Commends the designation of fog lines on Ridgecrest Blvd, Downs.
- Not asking for elimination of parking or designation of bike lanes. Spoke on rural regulations.
- Spoke on designation for other streets such as Las Flores
- Commented on potential deaths if bicycles go into traffic lanes to avoid parked cars.
- Commented on leniency to allow painted fog lines for bicycles on other City streets. Not asking for bicycle designation, just a fog line painted under rural routes regulations.
- Only talking about major arterial roads have painted fog lines.
 - Lori Acton – we aren’t designated rural, just urban.
- When looking at certain streets would be considered urban but we have the power to do this even though it isn’t mandated.
- Areas without the white line people tend to drift.

Tom Wiknich

- Complimented Council on back-and-forth discussion
- Encouraged Mr. Taylor to put the fog line project on the infrastructure committee agenda
- Asked why there is an elevator in City hall, intended for people with disabilities to get upstairs
- Spoke on the difficulty of disabled persons to get into the front doors of City hall or police department, especially during bad weather.
- Gave examples of people trying to get into the building that is not handicap accessible.
- Requested TAB funding allocated to provide handicap accessible front doors.
 - Peggy Breeden – agreed and stated Council will work to fix the problem. Infrastructure committee will begin meeting once action is taken to establish the committee. Won’t happen tomorrow but you will get an answer.
 - Lori Acton – can’t take action but asked this be put on the next agenda or direct staff to come back with a discussion item.
 - Mike Mower – suggested putting on next infrastructure committee agenda

Ronald Porter

- Commented on the Brown Act and republican form of government.
- Spoke on people's right to know.
- Noticed recent violations of the brown act.
- Spoke on public comment before closed session as being put on the agenda because of his personal complaints in the past.
- Everyone wants to comply with the Brown Act. Looking to have open discussion when items are brought up.
- Everyone should be heard.
 - Peggy Breeden – asked for a short Brown Act discussion on a future agenda to address concerns of the public.
 - Lori Acton – portions of the Brown Act are not enforceable.

Robert Eierman

- Asked Council to listen to Mr. Porter who is an expert on the Brown Act
- Spoke on Attorney's who are wrong 50% of the time, every court case has one winner and one lose thereby attorneys are wrong 50% of the time.
- It is not a City attorney who was elected to represent the public. Community wants to hear what the Council's opinion is.
- Council has a duty to know the brown act so well they don't have to rely on the attorney to answer questions pertaining to the Brown Act
- Asked Council to look at the agenda items and see if the items comply with the brown act requirements.

Dave Matthews

- Added comments to Mr. Taylor's statements regarding the fog line for bicyclists and drivers.
- Many times there has been ambiguity of where the asphalt ends and dirt begins.
- When oncoming traffic fails to dim their lights, the white line on the side of the road is very helpful.
- Commented on confusion about west Ridgecrest Blvd. pertaining to the striping of the bike lane. Is bike lane the farthest two lines or the second set of white lines?
 - Dennis Speer – will do a field review of the area between Norma street and Downs street

Joe Menendez

- Commented on boy scouts learning citizenship
- As concerned member of the public, area on Mahan has become a motorcycle park. Dangerous for walkers and dust control area has been destroyed.
- Asked Council to consider an ordinance to stop motorcycles on Mahan between Ridgecrest Blvd. and Brady street
- Las Flores and Amanda residents get 5-6 feet of sand when wind blows because motorcycles have destroyed the area.
- May become litigation if something not done now.
- Right now motorcycles are tearing the area up and when the wind blows the sand will be in everyone's yards.
 - Lori Acton – asked if this has been reported to the police because there is a unit dedicated to this issue.
- Generally in evenings, weekends and holidays
- This area seems to have 10,000 motorcycles that all ride in this area.

Public comment closed at 7:24 p.m.

CONSENT CALENDAR

1. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving A Contract Change Order Number One With The Contractor, Griffith Company, For The Mahan Project From Ward Avenue To Graaf Street, Authorizing The City Manager To Sign The Notice Of Completion, Authorizing The City Clerk To File The Notice Of Completion, Authorizing The Release Of Retention And Authorizing The City Manager, Dennis Speer, To Sign The Change Order Number One Speer
2. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving A Contract Change Order Number Two With The Contractor, Griffith Company, For The Gateway Project From Upjohn Avenue To Bowman Avenue, Authorizing The City Manager To Sign The Notice Of Completion, Authorizing The City Clerk To File The Notice Of Completion, Authorizing The Release Of Retention And Authorizing The City Manager, Dennis Speer, To Sign The Change Order Number Two Speer
3. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving Contract Change Order Numbers Two, Six And Seven With The Contractor Griffith Company For The Federal Safe Routes To School Project Cycle 3, Authorizing The City Manager To Sign The Notice Of Completion On The Federal Safe Routes To School Project Cycle 3, Authorizing The City Clerk To File The Notice Of Completion, Authorizing The Release Of Retention And Authorizing The City Manager, Dennis Speer, To Sign The Change Order Numbers Two, Six And Seven Speer

4. Adopt A Resolution Authorizing The City Manager To Sign The Notice Of Completion, Authorizing The City Clerk To File The Notice Of Completion And Authorizing The Release Of Retention On The City Hall Alleyway Project Speer
5. Adopt A Resolution Of The Ridgecrest City Council Accepts A Right Of Way Agreement And Offer Of Dedication From Michael And Lori B. Howard For APN 456-090-07, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizes The Mayor To Sign The Escrow Instructions And Certificate Of Acceptance, And Authorizes The Mayor And City Manager To Sign The Right Of Way Agreement And Approves And The Allocation Of \$42,839.00 For Fee Interest In The Dedicated Portion Of The Parcel Speer
6. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Setting The Public Hearing For Unmet Transit Needs Findings Speer
7. Adopt A Resolution To Approve A Global Markets Safekeeping Agreement With Union Bank And Authorize The Finance Director, V. Rachelle McQuiston, To Execute This Agreement McQuiston
8. Adopt A Resolution Of The Successor Agency To The Ridgecrest Redevelopment Agency Approving A Revised Long Range Property Management Plan Parsons
9. Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated December 17, 2014 Ford

Items Pulled From Consent Calendar

- Item Nos. 1, 2, 3, 4, and 5

Motion To Approve Item Nos. 6, 7, 8, And 9 Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

Item Nos. 1, 2, 3, 4, and 5 Discussion

Ronald Porter

- Commented on a lot of changes to constructions contract.
- Some appear that contractor is taking advantage to get more out of the contract.
- Suggested contractors review contracts to see if there is money they can get.
- Concerned that contractor may be taking advantage

Ronald Porter (continued)

- Commented on independent billing for each change when could have been billed once
 - Dennis Speer – during course of construction, things are discovered and it may be a benefit to the City to move forward. After contract is awarded and something is discovered it is reviewed by the superintendent of streets to determine if we should move forward. Some items are discovered by surveyors or inspectors and not the contractor. Contractor may notice quantities are in error and then comes to the City to request changes. Consultant is the inspector and contract manager. Point is well taken.
- Some of these items looked strange.
 - Mike Mower – had similar issues so met with City Engineer

Motion To Approve Item Nos. 1, 2, 3, 4, And 5 Made By Council Member Mower, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

DISCUSSION AND OTHER ACTION ITEMS

10. Presentation And Accept For File The Annual Report Of The Ridgecrest Area Convention And Visitors Bureau **Ford**

Doug Lueck

- Presented staff report and reviewed the Tourism Improvement District for the first year, financial statements, and 5 year projections. *(Copy Available In The City Clerk's Office)*

Minute Motion To Accept For Filing Made By Council Member Thomas, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

11. Adopt A Resolution Establishing Certain Standing Committees Of The Ridgecrest City Council **Ford**

Peggy Breeden

- Presented staff report

Lori Acton

- RACVB change, lead will be Eddie Thomas and Lori Acton will be alternate

Item No. 11 *(continued)*

Motion To Approve A Resolution Establishing Standing Council Committees As Listed In The Resolution Made By Council Member Mower, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

12. Nominations And Appointments To Council Committees, Boards, And Commissions Ford

Peggy Breeden

- Presented staff report and announced nominations.

Motion To Approve Appointments To Certain Council Committees, Boards, And Commissions As Announced Made By Council Member Acton, Second By Council Member Mower Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

13. Nominations And Appointments To Vacancies On The Measure 'L' Committee Ford

Peggy Breeden

- Presented staff report
- Peggy – Ted Ribulton for term ending July 2018
- Eddie –Michael Peterson for term ending July 2015

Public Comment

Scott Garver

- Thanked Council for nominating Mr. Peterson
- Requested Council accepts Mr. Peterson as an appointment for the longer term.
- Discussion of procedure. No precedent currently set.
- Bound by ordinance which does not account for whose choice it is to set the term.

Peggy Breeden

- If no legal reason prohibiting would be fine with the change
- For the record Mr. Ribulton is an amazing person and you will be pleasantly surprised to have him on the committee
- Measure 'L' committee is the most important committee who has actively done their job.
- Need the committees input when the time comes to renew the funding
- Am willing to provide anything this committee needs to do their job.

Lori Acton

- Believes precedent was already set.

Scott Garver

- Procedure not outlined in the ordinance.

Michael Silander

- Believe the ordinance allows Council to set the precedence.

Jim Sanders

- Asked if we could rewrite the ordinance so it is clearer.

Scott Garver

- Adopted by ballot vote so may not be able to amend.

Motion To Approve Item Nos. 13, Appointing Members To The Measure 'L' Citizens Advisory Committee Made By Council Member mower, Second By Council Member sanders. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

14. Discussion And Council Action On The Ridgcrest Charter School Appeal Of Planning Commission Decision Regarding CUP 01-14 Modification

Alexander

Matthew Alexander

- Presented staff report
- PowerPoint presentation provided by Matthew Alexander
- Highlighted options
 - Approve action of planning commission and deny the appeal
 - Accept appeal and review action taken by the planning commission to affirm, reverse, or modify the decision of the planning commission.

Jim Sanders

- Asked for clarification of the purpose of paving
 - Dennis Speer – could install a cross walk between the two drive ways
 - Matthew Alexander – responsibility of putting in cross wall once gutters are installed

Mike Mower

- Asked about the base and commented on the top layer being applied when downs street is widened
- Asked if barriers would be removed to allow for crosswalk
 - Dennis Speer – removed 2 rails and install a temporary raised median as safety island and prevent illegal U-turns.
- If paving is required will a fog-line be installed to designate additional paving and a flashing light at the pole
 - Dennis Speer – yes under temporary installation

Peggy Breeden

- Item pulled from agenda due to issues, how that affects approval or disapproval.
 - Dennis Speer – if street widening were to move forward then would want this to move forward and prevent the widening project from being completed. Widening project will come forward for discussion at the second meeting of February. If approved can put a bid together and award contract for the next paving season
- What are implications of holding off on this decision again until we see if these can be done simultaneously?
 - Dennis Speer – further delay of a crosswalk.

Jim Sanders

- Major concern of base paving is people pulling off and the pole. Will this concern be satisfied?
 - Dennis Speer – from safety respect the concerns would be satisfied.
- Would beacon be the City's concern?
 - Dennis Speer – yes, is not part of the CUP

Public Comment

Elsa Henning

- Chairman for Charter School Board
- Met with City several times and worked out a lot of issues. Primary issues is if we do this paving may have to take it out when widening project goes in the paving would be torn up. Hate doing it if will be torn up shortly.
- Very concerned with people pulling out and hitting the power pole, especially at night.
- Paving south of the pole makes more sense rather than north of the pole
- Legal counsel recommends we appeal for liability purposes.
- Sounds as if we may be getting to a point that widening project may make this moot.

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

January 21, 2015

Page 14 of 20

Elsa Henning *(continued)*

- Suggested compromise with paving after power pole is moved. Makes more sense.
 - Mike Mower - Will paving be torn out or used as base for the upgrades.
 - Dennis Speer – will be used as base and paved over during widening project.
 - Mike Mower – understand the concerns. Can see this becoming a mud puddle and anxious to see a cross walk go in as soon as possible.
- School has concerns about the location of the crosswalk. Hired a traffic engineer to look at the traffic flow and potential increase. His report recommends a 4-way stop at that location which would be a perfect place for a cross walk.
- Mid-block cross walks are very concerning due to the number of people who have been struck and killed.
 - Dennis Speer – commented on traffic engineers report which does not consider the proper warrants required for a traffic stop. Served as traffic engineer for years at Tulare County and is well-versed in Traffic Engineering. The engineer did not do a warrant study when making his report.
- Study was future forecasting with the easement in place.
 - Jim Sanders - Crossing guard is currently assisting children at Church Street. In favor of rescue medians. Originally was going to propose a fee in lieu of but if that portion isn't going to be torn out then fine with improvements as they stand.
 - Mike Mower – asked for timeframe to complete construction
- Looking at early March and will be meeting with people in February to discuss putting in easement and pavement on downs street.
 - Mike Mower – if takes 6 months to do the project then don't have to do pave out for 6 months.
- To get certificate of occupancy have to get easement agreement signed with AMG. Need everything to happen simultaneously.
 - Jim Sanders – any preference of doing it or paying fee in lieu of.
- Would much rather pay the fee and want to keep cross walk separate from CUP.
 - Jim Sanders – is crossing guard working for you now or does it need to be revised?
- Have 1 or 2 children crossing, most people are parking at sports fields and walking across church rather than Downs street.

Dave Matthews

- Intersection of Upjohn and downs, are there 4 crosswalks on each lane of the intersection
 - Dennis Speer – yes
- What is problem with children using that intersection
 - Dennis Speer – preferable but there is no curb, gutter or sidewalk on one side.

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

January 21, 2015

Page 15 of 20

Dave Matthews *(continued)*

- That is a 40 mph zone and not enough room for crash barriers at the pole. That is a school zone and when children are present that drops to 25 mph.
- If you put a flashing light at the pole it would take care of it.

Matt Baudhuin

- Planning commission elected to give leeway on south side was because of lemans style parking was between two driveways. People currently parking in the right of way and if you put the base pavement down and mark it no parking, use reflective type paint or other mitigation. This is education, cite parents who are parking there and word will get out. Education comes from citations. Word gets out when laws are enforced.
- Get parents to stop parking there, make the improvements and move on.
- Traffic engineer mitigation measure requires install improvements to the City of Ridgecrest satisfaction. Curb, gutter, and base pavement look finished.

Mike Mower

- Can the area be red zoned to prevent parking
 - Dennis Speer – can sign it.

Jim Sanders

- In favor of marking curb and gutter and do a fee in-lieu of base paving. Start paving Downs Street with TAB funds as soon as possible.

Mike Mower

- Major drawback of finishing Downs is moving the pole

Peggy Breeden

- What is Edison's timeline
 - Dennis Speer – they won't begin until we tell them we are going to pave. That will be part of the discussion in February. Have found substantial saving in the street allocations but inconsistencies in the two tables need to reconcile before bringing to Council.
- My concern is if we do this now and ask for in-lieu of fee, and wait until February report when we can make better decisions. What are the implications of waiting other than safety?

Lori Acton

- Additional information does change things and I hate going against the planning commission's decision. This was a previous deferral.
- The parents and school zone is a nightmare and I try to avoid it. Kids do cross regardless of no cross walk.

Mike Mower

- Every school is a nightmare when schools let out. Solution of planning commission is a fantastic idea. Go along with either postponing till next month or Mr. Sander's suggestion. Do not feel we are going against the planning commission. Major concern is parking and the pole.

Lori Acton

- Would this action get the pole moved faster
 - Dennis Speer – No.

Peggy Breeden

- Can we install temporary no-parking signs
 - Jim Sanders – no left hand turn sign has been violated constantly.

Motion To Postpone A Decision Until Mr. Speer Can Report On The Downs Street Widening Project Was Made By Council Member Thomas, No Second Received. Motion Does Not Move Forward.

Minute Motion By Council Member Sanders To Amend Condition 1FI To Include A Fee In-Lieu Of Base Paving As Negotiated Between Engineers AND Eliminates Condition 1H. , Seconded By Council Member Acton. Motion Carried By Roll Call Vote Of 4 Ayes (Mayor Breeden, Council Members Sanders, Acton, And Mower), 1 No (Thomas); 0 Abstain; 0 Absent

15. Presentation Of Tax Allocation Bond (TAB) Funding Possibilities For The Downs Street Project Between West Ridgecrest Blvd. And Upjohn Avenue
Speer

- Item pulled prior to approval of the agenda

ORDINANCES

16. Second Reading And Adoption By Title Only, Ordinance 15-01, An Ordinance Of The City Council Of The City Of Ridgecrest Granting A Non-Exclusive Taxi Franchise To The Owner Sandra Gamble
Speer

Dennis Speer

- Presented staff report

Item No. 16 (Continued)

Motion To Waive Reading In Full And To Adopt By Title Only, Ordinance No. 15-01, An Ordinance Of The City Council Of The City Of Ridgecrest Granting A Non-Exclusive Taxi Franchise To The Owner Sandra Gamble Made By Council Member Sanders, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

Requires A Second

Motion To Adopt, By Title Only, Ordinance No. 15-01, An Ordinance Of The City Council Of The City Of Ridgecrest Granting A Non-Exclusive Taxi Franchise To The Owner Sandra Gamble Made By Council Member Mower, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Breeden, Council Members Sanders, Acton, Thomas, And Mower); 0 Noes; 0 Abstain; And 0 Absent

Requires A Second

PUBLIC COMMENT

Ronald Porter

- Problem with ordinance, law includes personal information and needs to bring forth a specific ordinance with regard to taxi services and eliminate personal information.
 - Dennis Speer – taxi franchises are covered in the Municipal Code and the process outlined was followed. Understand the point and need a review of the code.
 - Jim Sanders – Requested future code revision.

17. Waive Reading In Full And Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code Chapter 6, Article 24 With Regard To License Tax Rates And Classifications
McQuiston

Rachelle McQuiston

- Presented staff report
- Sections of the code were conflicting so this amends and makes uniform requirements.

PUBLIC COMMENT

Tom Wiknich

- Questioned requirement for trash service for mobile homes or commercial application of trash service.
 - Rachelle McQuiston – will have to research this and discuss with City manager.

Ronald Porter

- Referenced Section 6-24.2 (H) (I) – are these new sections
 - Rachelle McQuiston – being amended,
- Constitution requires the changes show.
- Residential rentals, 4 units, is this on one piece of property or if you own 4 rental units.
 - Rachelle McQuiston – anyone renting 4 properties has to have a business license. Used to be a requirement if you had one rental.

Item tabled for revisions and will be brought back for 1st reading again.

COMMITTEE REPORTS

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Eddie Thomas and Lori Acton
Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center
Next Meeting: To Be Announced

Eddie Thomas

- Met on the 20th
- Success story of student returning back to school after a year absence due to substance abuse and Officer Involvement assisting him.
- Neighborhood watch active and new signs and booklets are on order.
- Crime is down and graffiti markings are down.
- Meetings will be set for every other month beginning March 17, same time.

Veterans Advisory Committee

Members: To be appointed
Meetings: 1st and 3rd Tuesday of the Month At 6:00 p.m., Kerr McGee Center
Next Meeting: To Be Announced

- No report

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Lori Acton and Eddie Thomas
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: To Be Announced

Eddie Thomas

- Best cities for young families in California named Ridgecrest as no. 4.
- Filming commission had 7 productions, 4 were films and 3 were still photo shots.
- Reviewed director's report.
- Next meeting February 4, location to be announced.

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

Lori Acton

- BLM meeting 4th Thursday of the month at 6:30 p.m.

Jim Sanders

- Suggested setting meeting dates and times as follows:
 - Water Conservation meeting, 1st Monday at 5pm
 - Measure 'L' 2nd Monday of the month at
 - Infrastructure 2nd Thursday of the month at 5 p.m.
 - Groundwater Management 3rd Thursday at 1 p.m.
 - Quality Of Life 1st Tuesday of the month at 5 p.m., Kerr McGee Center
 - City Organization committee 4th Wednesday of the month at 5 p.m., conference room B

Tom Wiknich – asked for a Kern COG report monthly

CITY MANAGER REPORT

Dennis Speer

- West Ridgecrest Blvd. signal lights are activated
- Will be attending City manager conference next week

MAYOR AND COUNCIL COMMENTS

Mike Mower

- Attended League Of California Cities training meeting in Sacramento, very educational. Covered Brown Act, legal issues and was well spent time.
- West Ridgecrest Blvd., most street lights are on. Major complaints have been the bright temporary lights and 15 mph speed limit. Hope to see it look like a real street soon.
- Commented on seeing someone run the red light at Ridgecrest Blvd and Norma Street intersection. Need to get the word out and educate public about the new light.

Eddie Thomas

- Thanked City for allow trip for training.
- Love the exchanges between community and Council
- Proud of Lori Acton for standing up and taking it and of the people who came forward to rally around her.
- Laurie Morales wants to attend our League Of California Cities meeting here on February 6.

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

January 21, 2015

Page 20 of 20

Lori Acton

- Thank you to those who have supported me and came out publicly to say so.
- Thanked Mr. Wiknich for TV station and for getting the information out there
- The people at the station asked tough questions and I appreciate it.
- Trust has to be rebuilt
- I look forward to the year and everything coming up.

Jim Sanders

- Attended League Of California Cities Policy Committee
- Sit on the Environmental Quality Committee and another policy committee
- Not a lot of information right now because new legislative session just started. New bills are being formed and proposed. More to come.
- Want to revise the Taxi Franchise Municipal Code. Asked staff to review possibilities. Seems there should be a better way. Asked for future agenda item.
 - Dennis Speer – taxi is treated the same as utilities. Staff will review.
- Great Christmas and New Year's.

Peggy Breeden

- Attended Kern COG last Friday
 - www.californiacitiesfinance.com goes thru election information for every ballot measure with analysis of each. Local revenue measure results 2014
 - Caltrans reported China Lake median islands project; Freeman Gulch widening project on Hwy. 14; Red Rock Canyon repair finished.
 - Gave examples of funding available and will follow up with Mr. Speer
- Could not attend the League Of California Cities committee but did receive literature and will review it.
- Ridgecrest Exchange Club is celebrating 40th birthday on Sunday
- Safely Surrender Babies Month is February. Encouraged community to volunteer to help organization.
- Want to see agenda item. Kern County has a procedure that if you are an elected official, there is a timeframe outlined before you can go to work for, handle monies from or other things for companies or agencies who deal with the county. This timeframe helps avoid questions of legality. I don't want anyone to have to go thru what Ms. Acton has been put thru recently.
- Thanked everyone who attended and excited about Measure 'L' committee. Looking forward to seeing what comes from the committee. Will need the funding in the future and want to see it happen. Want to do exactly what the people want. Looking forward to seeing reports that say we did exactly what was requested by the public.

ADJOURNMENT at 9:32 p.m.

Rachel J. Ford, CMC
City Clerk

This Page Intentionally Left Blank

**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/BUSINESS LICENSE AGENDA ITEM**

SUBJECT:

Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Municipal Code Section 6-24 With Respect To License Tax Rates And Classifications.

PRESENTED BY:

Rachelle McQuiston, Finance Director

SUMMARY:

This item was heard by Council at the regular meeting of January 21, 2015 and amended. At this time the item is brought back for first reading and introduction.

The intent of the following ordinance is to amend section 6-24 of the Ridgecrest Municipal code as it relates to the business license requirements of Residential and Mobile home Space Rentals. The current ordinance has a discrepancy between whether or not a business license is required to rent one to three units. This amended ordinance will require that a business license be obtained only if four or more units are rented.

These changes have been reviewed and approved to form by the City Attorney

Recommended Motions:

Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending §§ 6-24 Of The Ridgecrest Municipal Code With Respect To License Tax Rates And Classifications.

Requires A Second

Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending §§ 6-24 Of The Ridgecrest Municipal Code With Respect To License Tax Rates And Classifications.

Requires A Second

FISCAL IMPACT:

License tax revenue lost from Residential and Mobile home Space Rental businesses with one to three units.

ACTION REQUESTED:

Approve recommended motions

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Approve recommended motions

Submitted by: Kelly Morrison

Action Date: February 4, 2015

This Page Intentionally Left Blank

ORDINANCE NO. 93-06

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIDGECREST AMENDING THE
RIDGECREST MUNICIPAL CODE CHAPTER 6, ARTICLE 24 WITH REGARD TO LICENSE TAX RATES
AND CLASSIFICATIONS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIDGECREST as follows:

1. Purpose

This ordinance amends the Ridgecrest Municipal Code with respect to Article 24 – License Tax Rates and Classifications as it relates to Residential and Mobilehome Space Rentals. The current ordinance has a discrepancy between whether or not a business license is required to rent one to three units. This amended ordinance will require that a business license be obtained only if four or more units are rented.

2. Amendment

The following Chapter 9, Article 8 is hereby amended to read as follows:

Article 24. - License Tax Rates and Classifications.

6-24. – License Tax Rates and Classifications.

6-24.1. – Fees Designated; Increase or Decrease by Cost of Living Index.

6-24.2. – Rates.

6-24.3. – Classifications.

9-24. – License Tax Rates and Classifications.

6-24.1. – Fees Designated; Increase or Decrease by Cost of Living Index.

Every person who engages in business in the City shall pay a license tax based on the license tax rate specified in the Classification into which his business is placed by this chapter or by the Director of Finance in interpreting this chapter:

Beginning with the calendar year 1980, and each year thereafter, the license tax fees as hereinafter set forth for Classifications "A" through "T" shall be raised or lowered by the percentage of the cost of living index as determined by the Federal Government. The increase or decrease shall be to the nearest dollar according to the U.S. Department of Labor's adjusted, compound annual rate of the Consumer Price Index for all Urban consumers (CPI-U) for all items to be determined in October of each year.

6-24.2. – Rates.

- (a) Classification "A"—Retail Sales and Services—Base Permit Fee: Sixty dollars (\$60.00) per year for the first five (5) employees plus six dollars (\$6.00) per year for each employee over five (5).
- (b) Classification "B"—Professionals—Base Permit Fee: Sixty dollars (\$60.00) per year for each professional practicing as an individual, partner, member of an association, or employee plus six dollars (\$6.00) per year for each non-professional employee.
- (c) Classification "C"—Manufacturing, Hospitals, Utilities—Base Permit Fee: Eighty-four dollars (\$84.00) per year for the first five (5) employees plus six dollars (\$6.00) per year for each employee over six (6).
- (d) Classification "D"—Vending, etc.—Base Permit Fee: Sixty dollars (\$60.00) per year for the first employee plus sixty-six dollars (\$66.00) per year for each additional employee.
- (e) Classification "E"—Wholesale and Route—Base Permit Fee: Sixty dollars (\$60.00) per year for the first vehicle plus sixteen dollars (\$16.00) per year for each additional vehicle.
- (f) Classification "F"—Catering from Vehicle—Base Permit Fee: Sixty dollars (\$60.00) per year for the first vehicle and sixty-six dollars (\$66.00) per year for each additional vehicle.
- (g) Classification "G"—Itinerant/Theaters, Junk Dealers—Base Permit Fee: One hundred sixty dollars (\$160.00) per year.
- (h) Classification "H"—Residential Rentals—Base Permit Fee: ~~Sixty dollars (\$60.00)~~ **Sixty six dollars (\$66.00)** per year minimum for ~~one (1) to three (3)~~ **four (4)** units; six dollars (\$6.00) per year for every unit over ~~three (3)~~ **four (4)**.
- (i) Classification "I"—Mobilehome Space Rentals—Base Permit Fee: ~~Sixty dollars (\$60.00)~~ **Sixty six dollars (\$66.00)** per year minimum for ~~one (1) to three (3)~~ **four (4)** spaces; six dollars (\$6.00) per year for every unit over ~~three (3)~~ **four (4)**.
- (j) Classification "J"—Commercial Rentals—Base Permit Fee: Sixty dollars (\$60.00) per year for the first commercial parcel or structure plus sixteen dollars (\$16.00) per year for each additional parcel or structure.
- (k) Classification "K"—Pool Tables/Bowling Alleys—Base Permit Fee: Eighty dollars (\$80.00) per year for the first table or alley plus six dollars (\$6.00) per year for each additional table or alley.
- (l) Classification "L"—Card Rooms—Base Permit Fee: Three hundred ninety dollars (\$390.00) semi-annually for the first table plus forty dollars (\$40.00) semi-annually for each additional table.
- (m) Classification "M"—Billboards—Base Permit Fee: Sixty dollars (\$60.00) per year for one (1) sign; sixty dollars (\$60.00) per year for each sign over one (1).
- (n) Classification "N"—Carnivals/Circuses (Non-charitable Sponsor)—Base Permit Fee: Three hundred ninety dollars (\$390.00) per day plus sixteen dollars (\$16.00) per day for each concession as defined in Section 6-1.
- (o) Classification "O"—Carnival/Fortune Tellers, etc.—Base Permit Fee: One hundred dollars (\$100.00) per day.
- (p) Classification "P"—Shoe Shining—Base Permit Fee: Fifteen dollars (\$15.00) per year for the first chair and six dollars (\$6.00) per year for each additional chair.
- (q) Classification "Q"—Non-licensed Contractor—Base Permit Fee: Sixty-six dollars (\$66.00) per year for the first employee plus six dollars (\$6.00) per year for each additional employee.

- (r) Classification "R"—Licensed Contractor—Base Permit Fee: Sixty-six dollars (\$66.00) per year for each licensed contractor contracting as an individual, partner, or member of an association, plus six dollars (\$6.00) per year for each non-licensed employee.
- (s) Classification "S"—Part-time/Intermittent—Base Permit Fee: Nine dollars (\$9.00) per day per each day of retail sales.
- (t) Classification "T"—Swap Meets, etc.—Base Permit Fee: Three hundred ninety dollars (\$390.00) per day plus nine dollars (\$9.00) per day for each vendor not having a City license.

6-24.3. – Classifications.

- a) Classification "A" shall consist of:
 - (1) Retailing of goods, wares, or merchandise including, but not limited to, the following businesses selling tangible personal property at retail or conducting a business of a retail nature:
 - Air conditioning or cooler supplies
 - Appliance sales and service
 - Automobiles—New or used
 - Automobile tires, batteries, parts, and accessories
 - Automobile service station
 - Awning sales
 - Bakery
 - Bicycle sales and service
 - Book shop
 - Brush and toiletries
 - Catalogue and mail order sales
 - Carpet sales and installation
 - Clothing store
 - Cosmetics and toiletries
 - Dairy products delivery to customer service routes from an established place of business in the City, (Otherwise see Classification "E")
 - Department store
 - Drug store
 - Dry goods store
 - Electric supplies and appliances
 - Feed
 - Fence sales (not installation, see Classification "G")
 - Fish and poultry (not from vehicle, see Classification "G")
 - Fire extinguisher sales and service
 - Five and ten—variety store
 - Florist
 - Fruit and vegetable sales (not from vehicle, see Classification "G")
 - Furniture and home furnishings
 - Gasoline and gasoline tank sales

Gift and novelty shop
Glass and paint shop
Groceries and meats
Hardware, paint, and appliances
Health foods
Ice
Ice cream parlors
Ice cream sales from vehicles operated from an established place of business in the City
(otherwise see Class "E")
Jewelry store
Lapidary shop
Lumber and building materials
Motorcycle sales and service
Mobilehome sales and repairs (not towing, see Class "E")
Newspaper publishing (not distributors see Classification "E")
Nursery
Paint sales
Pet shop, pet food, pet supplies
Pharmacy
Photographer (not transient photographer, see Classification "G")
Photo shop
Plumbing supplies and appliances
Sewing machine sales and service
Shoe sales
Sporting goods
Stationery, office equipment, office supplies
Stamp redemption center
Wig sales

(2) Services including, but not limited to, the following businesses which are considered of a service nature:

Advertising and advertising agency (not billboards, see Classification "M")
Artist
Automobile or truck repairs (all types)
Automobile parking lot
Automobile or recreation vehicle or trailer rentals
Automobile towing service
Automobile wash
Animal kennels
Barber shop
Beauty shop
Bookkeeper (not public accountant, see Classification "B")
Bus depot

Cafe, restaurant, night club, tavern, without live entertainment or public dancing (with live entertainment or public dancing add twenty (\$20.00) dollars per year)

Carpet cleaning

Cemetery

Cesspool cleaning

Collection agency

Credit checking agency

Dancing school

Dressmaking and tailoring

Dry cleaning and laundry (not out-of City, see Class "E"); not coin-operated, see Class "D")

Finance company or loan company

Financial counselor

Gardener, yard cleaning (not landscaping, see Class "G")

Gunsmith

Gymnasium, health studio

Income tax service

Insurance broker or adjustor

Interior decorator

Janitorial service

Laundry (not coin-operated, see Classification "D")

Locksmith

Machine shop making repairs only (for fabricating machine shops, see Classification "C")

Musical instructor or school

Mutual fund broker

Moving and storage services

Nursery school

Printing, dry copying, mimeographing, multi-graphing, duplicating

Radio or television station

Real estate agent or broker

Repair services (all types except those under "contractor" in Classification "G" and those under Classification "Q")

Savings and loan institution

Saw sharpening

Steam cleaning

Stocks and bonds broker or agent

Sweeping service

Swimming pool, commercial operation

Telephone answering service

Travel services

Upholstering

(b) Classification "B" shall consist of:

Accountant

Architect
Appraiser
Attorney
Bacteriologist
Certified Public Accountant
Chemist
Chiropractor
Consultant
Clairvoyant
Dental or Medical Laboratory
Dentist
Detective
Engineer (all types)
Embalmer
Fortune Teller
Funeral Director
Geologist
Masseur
Medium
Mortician
Oculist
Optician
Optometrist
Osteopath
Palm Reader
Physician
Psychiatrist
Psychologist
Public Stenographer
Radiologist
Spiritualist
Surgeon
Surveyor
Veterinarian

(c) Classification "C" shall consist of:

- (1) Manufacturing, fabricating, processing, or other industrial businesses including data processing businesses, data analysis services and manufacturer's customer service representatives working in the City.
- (2) Hospitals of all types.
- (3) Telephone and other utility companies and communication companies not specifically classified in this ordinance or franchised by the City.

(4) Automobile dismantling yards including sale of used vehicle parts removed from dismantled vehicles.

(d) Classification "D" shall consist of:

(1) Coin-operated laundrettes, laundromats, dry cleaning establishments, wet wash businesses including persons conducting businesses in which the public is permitted to enter to wash, dry, or dry clean clothes or other materials in individual machines and the public uses coins in coin-operated machines.

(2) Persons distributing and maintaining vending and self-service machines including but not limited to:

Merchandise dispensing machines

Music dispensing machines

Amusement machines

Beverage dispensing machines

Food dispensing machines

Automobile car wash machines

Copying machines.

(e) Classification "E" shall consist of:

(1) Wholesaling including any person primarily selling goods, wares, or merchandise directly to retailers, and including, but not limited to:

Automobile parts distributors (TBA)

Bakery products distributors

Dairy products distributors

Grocery products distributors

Gasoline and oil distributors

Produce distributors

(2) Laundry, dry cleaning, and other services conducted over customer routes from locations outside the corporate limits of the City.

(3) Retail sales conducted from vehicles over customer routes from locations outside the corporate limits of the City (but not itinerant merchants as defined in Section 6-1).

(4) Pick-up and delivery services including, but not limited to:

Parcel and freight delivery (when delivery in the City is more than occasional and incidental to business conducted elsewhere)

Newspaper delivery (but not newspaper boys)

Mobilehome transport service

(5) Ice cream vending from vehicles.

(6) Bottled water distributors.

(7) Propane or other gas or fuel distributors.

(8) Pest exterminator services.

(f) Classification "F" shall consist of:

Food catering service when conducted primarily from a vehicle (otherwise see Classification "A").

(g) Classification "G" shall consist of:

- (1) Theater (motion picture or playhouse) except that only one license shall be required for a firm operating theaters at separate locations alternately and not simultaneously.
 - (2) Skating rink.
 - (3) Public dance hall (but not night club or restaurant with dancing, see Classification "A").
 - (4) Itinerant merchant as defined in Section 6-1, see also Section 6-31 of this chapter.
 - (5) Solicitor as defined in Section 6-1 of this chapter.
 - (6) Transient photographer as defined in Section 6-1 of this chapter.
 - (7) Junk dealer as defined in Section 6-1 of this chapter.
- (h) Classification "H" shall consist of: Persons regularly engaged in the business of renting residential property or accommodations including all those types of residential accommodations listed in Section 6-1 of this chapter but not including mobilehome park spaces and not including a residential accommodation usually rented which is being occupied by its owner.
- (i) Classification "I" shall consist of: Persons regularly engaged in the business of renting mobile-home park spaces. Persons owning mobilehome park spaces who rent out or lease out mobilehomes on those spaces shall also obtain a license under Classification "H" for the number of mobilehome units so rented or leased.
- (j) Classification "J" shall consist of: Persons regularly engaged in the business of renting commercial property or accommodations including offices, stores, shops, or other commercial structures and parcels of land occupied by any business use. Several parcels used together as part of the same local business (lessee) shall be considered one parcel for the purposes of applying the tax rate in this Classification.
- (k) Classification "K" shall consist of: Persons engaged in the business of providing recreation involving the following games:
Pool, billiards, or bagatelle
Bowling
Shuffleboard
Skee-ball
A table, alley, board, or device licensed under this Classification shall not be licensed under any other classification.
A person licensed under this Classification shall not be required to obtain an additional license under Classification "A" for the serving of food or beverages on the same premises.
- (l) Classification "L" shall consist of: Persons operating card rooms approved by the Chief of Police as prescribed by City Ordinance. See also Section 6-32.
- (m) Classification "M" shall consist of: Persons erecting and maintaining outdoor advertising structures as defined in Section 6-1 of this chapter.
- (n) Classification "N" shall consist of: Persons operating carnivals, circuses, animal shows, and exhibitions not sponsored by a local charitable organization.
- (o) Classification "O" shall consist of:
- (1) Persons operating carnivals, circuses, animal shows and exhibitions sponsored by a local church, school, PTA club, veteran's organization or other recognized local charitable organization.
 - (2) Fortune teller, clairvoyant, palm reader, spiritualist, medium or other prognosticator who provides such services in connection with an event described in the preceding paragraph (1).

(3) A masseur or masseuse who provides such services in connection with an event described in the preceding paragraph (1).

(p) Classification "P" shall consist of: Persons engaged in the business of shining shoes.

(q) Classification "Q" shall consist of: Persons engaged in businesses not required to be licensed under the California Contractors License Law but which involve maintenance or repair of structures, or installation, maintenance or repair of improvements to structures, including but not limited to:

Air conditioning

Building moving and wrecking

Cabinet making

Carpentry and building alterations

Concrete finishing

Coolers

Earth moving, grading, trenching, paving

Electrical alterations

Flooring and tiling

Heating

Landscaping

Masonry

Metal Working

Mobilehome installation and accessory building erection

Painting and decorating

Plumbing, including sewer repairing and rodding

Refrigeration

Roofing

Sign painting

Welding

Well drilling

All persons applying for a license under Classification "Q" shall be required by the City Clerk to sign a statement under penalty of perjury that they are exempt from and will not do any work in violation of the California Contractors License Law (Bus. & Prof. Code Secs. 7000 et seq.). If it appears that any person licensed under Classification "Q" has performed work different from that permitted hereunder, the City Clerk may, after conferring with the City Attorney notify such person in accordance with Section 6-25 that his business is being reclassified to Classification "G". Notwithstanding provisions of Section 6-25 to the contrary, such reclassification shall apply during the current licensing year and such person shall pay the difference in licensing fees. Procedures in Section 6-2 for appeal to the City Council shall apply to any such reclassification.

(r) Classification "R" shall consist of: Contractors as defined in Section 6-1.f.

(s) Classification "S" shall consist of: Persons who engage in business on a part-time or intermittent basis.

(t) Classification "T" shall consist of: Persons carrying on, conducting, or managing such events as arts exhibitions, crafts exhibitions, swap meets, flea markets, and similar events.

PASSED, APPROVED, AND ADOPTED by the Ridgecrest City Council on February 4, 2014, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Peggy Breedon, Mayor

ATTEST:

Rachel Ford, City Clerk

Business License Ordinance Change

6-1. Definitions

m. “Regularly Engaged in the Business of Renting” shall mean any person who owns and holds out for lease or rent property or accommodations, including any commercial parcels or structures, or four or more residential accommodations, including single-family dwellings, trailer court spaces, mobile-homes, house trailers, hotels, inns, tourist homes or houses, motels, studio hotels, bachelor hotels, lodging houses, rooming houses, apartment houses, including duplexes, triplexes, courts, etc., dormitories, public or private clubs.

6-24.2. Rates

(h)

Classification "H"—Residential Rentals—Base Permit Fee: Sixty dollars (\$60.00) per year minimum for one (1) to three (3) units; six dollars (\$6.00) per year for every unit over three (3).

(i)

Classification "I"—Mobile Home Space Rentals—Base Permit Fee: Sixty dollars (\$60.00) per year minimum for one (1) to three (3) spaces; six dollars (\$6.00) per year for every unit over three (3).

6-24.3. Classifications

(h)

Classification "H" shall consist of: Persons regularly engaged in the business of renting residential property or accommodations including all those types of residential accommodations listed in Section 6-1 of this chapter but not including mobile home park spaces and not including a residential accommodation usually rented which is being occupied by its owner.

(i)

Classification "I" shall consist of: Persons regularly engaged in the business of renting mobile-home park spaces. Persons owning mobile home park spaces who rent out or lease out mobile homes on those spaces shall also obtain a license under Classification "H" for the number of mobile home units so rented or leased.

This Page Intentionally Left Blank