



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

AGENDA

Wednesday

Regular

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

April 3, 2013

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

(760) 499-5000

**Daniel O. Clark, Mayor
Jason Patin, Mayor Pro Tempore
Marshall 'Chip' Holloway, Vice Mayor
James Sanders, Council Member
Lori Acton, Council Member**

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LAST ORDINANCE NO. 13-01
LAST RESOLUTION CITY COUNCIL NO. 13-11
LAST RESOLUTION FINANCING AUTHORITY NO. 13-xx
LAST RESOLUTION OF THE HOUSING AUTHORITY NO. 13-xx
LAST RESOLUTION OF THE SUCCESSOR REDEVELOPMENT AGENCY NO. 13-xx

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Regular Council
Wednesday April 3, 2013

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

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

April 3, 2013

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CLOSED SESSION

- GC54956.9 (a) Conference with Legal Counsel – Potential Litigation – Public Disclosure of Potential Litigant Would Prejudice the City of Ridgecrest.
- GC54956.9 (b) Conference with Legal Counsel – Existing Litigation – City of Ridgecrest v. Dale Howard
- GC 54956.9 (b) Conference with Legal Counsel – Liability Claim of Hi-Desert Construction et al. – Claim No. 13-01
- GC54957 Personnel Matters – Public Employee Recruitment – City Manager
- GC54957.6 Labor Negotiations – Confidential Group of Employees – Agency Negotiator Interim City Manager Dennis Speer

REGULAR SESSION – 6:30 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PUBLIC COMMENT

PRESENTATIONS

1. Eileen Shibley Of The Inyokern Unmanned Aircraft Systems (UAS) Committee Will Give A Presentation To The Council Of The UAS Program
Clark

CONSENT CALENDAR

2. Approve A Resolution Authorizing A Final Invoice And Balancing Change Orders, Authorizing The Interim 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 Eastbound Lanes Of Drummond Avenue Project Between China Lake Boulevard And North Norma Street
Speer

AGENDA - CITY COUNCIL - REGULAR

April 3, 2013

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3. Approve A Resolution To Approve A Professional Services Agreement With, Quad Knopf Inc. For The Preliminary Engineering Of Sunland Drive From Upjohn Avenue To Bowman Road And Authorize The Interim City Manager To Execute This Agreement Contingent Upon The City Attorney's Review And Approval Of The Agreement Speer
4. Approve A Letter Of Support For The Creation Of An Innovation In Defense, Energy And Aerospace Hub (iDEA Hub) At The Inyokern Airport Speer
5. Approve A Resolution Of The Ridgecrest City Council Approving The Lease Agreement With Waste Management Of California, Inc. And Authorizing The Interim City Manager To Execute The Agreement Speer
6. Approve Draft Minutes Of The Regular Council Meeting Of March 20, 2013 Ford

DISCUSSION AND OTHER ACTION ITEMS

7. Appointment to Personnel Commission Clark

COMMITTEE REPORTS

City Organization

Members: Dan Clark, Jim Sanders
Meeting: 3rd Tuesday of the Month at 5:00 P.M.; Council Conference Room
Next Meeting: April 16, 2013

Community Development Committee

Members: Jason Patin, Chip Holloway
Meetings: 1st Thursday of the Month at 5:00 P.M.; Council Conference Room
Next Meeting: Cancelled

Infrastructure Committee

Members: Dan Clark, Jason Patin
Meeting: 2nd Wednesday of the Month at 5:00 P.M., Council Conference Room
Next Meeting: April 10, 2013

Quality Of Life

Members: Chip Holloway, Lori Acton
Meeting: 2nd Thursday of the Month at 5:00 P.M.; Kerr-McGee Center
Next Meeting: April 11, 2013 (Dark in June, July, December, and January)

AGENDA - CITY COUNCIL - REGULAR

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

Members: Jim Sanders, Jason Patin

Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center

Next Meeting: May 21, 2013

Veterans Advisory Committee

Members: Jason Patin, Lori Acton

Meetings: 1st and 3rd Monday of the Month At 6:00 p.m., Council Conference Room

Next Meeting: April 8, 2013

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Jason Patin, Chip Holloway

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: May 1, 2013 at location to be announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

CITY MANAGER REPORT

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

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

SUBJECT:

Presentation on The Creation Of An Innovation In Defense, Energy And Aerospace iHub (iDEA Hub) At The Inyokern Airport

PRESENTED BY:

Dennis Speer – Interim City Manager

SUMMARY:

Eileen Shibley of the Inyokern Unmanned Aerospace Systems Committee will give a presentation to Council on the Inyokern Airport application for the creation of a state of California innovation hub (iHub) to be known as iDEA Hub – Innovation in Defense, Energy and Aerospace.

FISCAL IMPACT:

No Fiscal Impact
Reviewed by Finance Director

ACTION REQUESTED:

No Action Required

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: No Action Required

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

SUBJECT: A Resolution Approving a final invoice and balancing change orders, authorizing the Interim 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 Eastbound Lanes of Drummond Avenue Project between China Lake Boulevard and North Norma Street

PRESENTED BY:

Dennis Speer, Director of Public Works

SUMMARY:

The project consisted of constructing curb, gutter, sidewalk as well as road rehabilitation of the Eastbound Lanes of Drummond Avenue between China Lake Boulevard and North Norma Street. City Council awarded a contract to Granite Construction on June 6, 2012 in the amount of \$325,345.00. Work has been completed and, with the exception of retention in the amount of \$16,824.52 (5%), the contractor, Granite Construction, has been paid in full. During the course of construction some deletions and additions were necessary. The original bid contract amount was \$325,345.00. The final contract amount including all change orders is \$336,490.29. The resulting balancing change order is for a final contract cost increase of \$11,145.29. The change orders for the project represent a 3.4% increase in the original contract amount. See Attachment "A" Final Balancing Change Orders.

The costs of these items are within the total cost of the project allocation given to the City of Ridgecrest by the State of California Proposition 1B. The project was completed on September 19, 2012.

The City will authorize release of retention thirty days from the filing of the Notice of Completion.

FISCAL IMPACT:

None

Reviewed by Finance Director

ACTION REQUESTED:

Adopt the Resolution that approves the final invoice and balancing change orders, authorizes the Interim City Manager to sign the Notice of Completion, authorizes the City Clerk to file the Notice of Completion and authorizes the release of retention on the Eastbound Lanes Of Drummond Avenue Project between China Lake Boulevard and North Norma Street

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Adopt the Resolution that approves the final invoice and balancing change orders, authorizes the Interim City Manager to sign the Notice of Completion, authorizes the City Clerk to file the Notice of Completion and authorizes the release of retention on the Eastbound Lanes Of Drummond Avenue Project between China Lake Boulevard and North Norma Street

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

Action Date: April 3, 2013

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RESOLUTION NO. 13-

A Resolution Approving A Final Invoice And Balancing Change Orders, Authorizing The Interim 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 Eastbound Lanes Of Drummond Avenue Project Between China Lake Boulevard And North Norma Street

WHEREAS, Granite Construction, Inc has completed road rehabilitation on the eastbound lanes of S. Drummond Avenue between China Lake Boulevard and North Norma Street, and

WHEREAS, during the course of construction deletions and additions to the scope of the project were made necessary due to material changes, and

WHEREAS, the original bid contract amount was \$325,345.00, and

WHEREAS, the final contract amount including all change orders is \$336,490.29, and

WHEREAS, the resulting balancing change order is for a final contract cost increase of \$11,145.29, and

WHEREAS, authorization to have the Interim City Manager sign the Notice of Completion and the City Clerk file the notice of completion is hereby requested, and

WHEREAS, retained funds to date in the amount of \$16,824.52 (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 \$16,824.52 thirty (30) days after the recordation of the notice of completion providing no claims have been filed against said retained funds, and

WHEREAS, this project is funded by the State of California Proposition 1B money and there were no matching funds required from the City of Ridgecrest.

NOW THEREFORE, be it resolved, that the City Council of the City of Ridgecrest hereby

- 1) Approves the Final Invoice and Balancing Change Order
- 2) Authorizes the Interim City Manager to sign the Notice of Completion
- 3) Authorizes the City Clerk to file the notice of completion for recordation for the project
- 4) Authorizes City Staff to release the retained funds in the amount of \$16,824.52 thirty (30) days after recordation of the notice of completion providing no claims have been filed against said retained funds

APPROVED AND ADOPTED this 3rd day of April by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Daniel O. Clark, Mayor

ATTEST _____
Rachel J. Ford, CMC, City Clerk

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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** September 19, 2012

- 8. The work of improvement completed is described as follows: Drummond Avenue Street Resurfacing – Norma Street to China Lake Blvd

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

- 10. The street address of said property is: Drummond Avenue between Norma St and China Lake Blvd

- 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:

Sidewalk, curb ramps and asphalt concrete pavement only for the eastbound lanes.

Date

Dennis Speer, Interim 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, Interim City Manager

SUBSCRIBED AND SWORN TO before me on

Rachel Ford, City Clerk

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CITY OF RIDGECREST

CONTRACT CHANGE ORDER No. 2

DATE: 10-23-12

Project Name: Drummond Avenue Street Resurfacing

Project # : 101406

Purchase Order No.: 006989

Contractor: Granite Construction Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

Table with 3 columns: Description, Cost, (working days). Rows include original contract amount, change order amounts, and revised contract amount.

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Table with 9 columns: Item, Description, Contract Qty, Change Order Qty, Adjusted Contract Quantity, Unit, Unit Cost, Change order Cost, Time Ext. Working Days. Includes Sanders Street Reconstruction and a total row.

Requested: [Signature] Construction Manager/Resident Engineer

Date: 2/6/13

Approved: [Signature] City Engineer

Date: 2/21/13

Approved: [Signature] Public Works Director

Date: 2/27/13

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: [Signature] Contractor

Date: 2/19/13

Darryl R. Ebel Manager of Construction - Bakersfield Area Granite Construction Company



CITY OF RIDGECREST

CONTRACT CHANGE ORDER No. 3

DATE: 10-23-12

Project Name: Drummond Avenue Street Resurfacing
 Project #: 101406
 Contractor: Granite Construction Company

Purchase Order No.: 006989

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

| As directed by the City of Ridgecrest, Granite Construction Company is to provide all traffic control and quality control required for change order work. | Cost | (working days) |
|---|----------------|----------------|
| Original contract amount: | \$ 325,345.00 | 30 |
| Any authorization to increase the contract amount by City Council: | \$ - | |
| Previous Change Order No(s). amount(s) to: | \$ 34,913.70 | 0 |
| Current Change Order No. (3) amounts to: | \$ (23,768.41) | 0 |
| Total increase to contract to date: | \$ 11,145.29 | 0 |
| Revised contract amount: | \$ 336,490.29 | 30 |
| Percentage of total increase to contract amount to date: | 3.43% | |

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

| Item | Description | Contract Qty | Change Order Qty. | Adjusted Contract Quantity | Unit | Unit Cost | Change order Cost | Time Ext. Working Days |
|---------------------------------|--|--------------|-------------------|----------------------------|------|-----------|-------------------|------------------------|
| 3.1 | Quantity Adjustment for actual quantities constructed - Bid Item No. 5 (Cross Gutter) | 300 | -12 | 288 | SF | \$22.60 | \$ (271.20) | 0 |
| 3.2 | Quantity Adjustment for actual quantities constructed - Bid Item No. 8 (AC Pavement Reconstruct - Drummond Ave) | 9800 | -702 | 9098 | SF | \$6.50 | \$ (4,563.00) | 0 |
| 3.3 | Quantity Adjustment for actual quantities constructed - Bid Item No. 9 (AC Pavement Reconstruction (Sanders Street)) | 1400 | -1400 | 0 | SF | \$6.50 | \$ (9,100.00) | 0 |
| 3.4 | Quantity Adjustment for actual quantities constructed - Bid Item No. 10 (Cold Plane & Remove 2" Exist. AC) | 117,500 | -13,317 | 104,183 | SF | \$0.18 | \$ (2,397.06) | 0 |
| 3.5 | Quantity Adjustment for actual quantities constructed - Bid Item No. 11 (Hot Mix Asphalt) | 1500.00 | -43.97 | 1,456.03 | TN | \$95.00 | \$ (4,177.15) | 0 |
| 3.6 | Quantity Adjustment for actual quantities constructed - Bid Item No. 12 (Slurry Seal) | 2400.00 | -656.00 | 1,744.00 | SF | \$2.50 | \$ (1,640.00) | 0 |
| 3.7 | Quantity Adjustment for actual quantities constructed - Bid Item No. 13A (Install Traffic Detector Loop - Type E) | 6 | 5 | 11 | EA | \$300.00 | \$ 1,500.00 | 0 |
| 3.8 | Quantity Adjustment for actual quantities constructed - Bid Item No. 14 (Adjust Survey Monument of Finished Grade) | 5 | -4 | 1 | EA | \$780.00 | \$ (3,120.00) | 0 |
| TOTAL THIS CHANGE ORDER: | | | | | | | \$ (23,768.41) | 0 |

Requested: *Michael Best*
 Construction Manager/Resident Engineer

Approved: *Loren E. Culp*
 City Engineer

Approved: *James Spurr*
 Public Works Director

Date: *2/6/13*

Date: *2/21/13*

Date: *2/27/13*

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: _____ Contractor

By: *[Signature]*

Date: *2/19/13*
Darryl R. Eber
 Manager of Construction-Bakersfield Area
 Granite Construction Company

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

SUBJECT:

A Resolution to Approve a Professional Services Agreement with, Quad Knopf Inc. for the preliminary engineering of Sunland Drive from Upjohn Avenue to Bowman Road and Authorize the Interim City Manager to execute this agreement contingent upon the City Attorney's review and approval of the agreement.

PRESENTED BY:

Dennis Speer, Public Works Director

SUMMARY:

The City of Ridgecrest is proposing to construct Sunland Drive from Upjohn Avenue to Bowman Road using Congestion Mitigation Air Quality (CMAQ) funds administered by Caltrans. This professional services agreement is for the preparation and provision of environmental studies, survey, design drawings, specifications, bid documents and bidding assistance that comply with City, State, and Federal requirements. The work provided under this agreement will enable this project to advance to the construction phase with a request for authorization to proceed with this phase pursuant to any available funds.

The City solicited proposals from qualified consulting firms to perform the subject professional services. A selection committee reviewed the proposals, scored the top firms, and ranked them. Quad Knopf Inc. was among the top ranked firm. The proposed fee to complete the scope of work is \$78,000.

Staff recommends that the City enter into a professional services agreement with Quad Knopf Inc. for the preparation and provision of environmental studies, survey, design drawings, specifications, bid documents and bidding assistance for this collector street project.

FISCAL IMPACT:

\$78,000.00

Reviewed by Finance Director

ACTION REQUESTED:

Adopt the resolution that Approves a Professional Services Agreement with Quad Knopf Inc. for the preliminary engineering of Sunland Drive from Upjohn Avenue to Bowman Road and Authorizes the Interim City Manager to execute this agreement contingent upon the City Attorney's review and approval of the agreement.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Adopt the resolution that Approves a Professional Services Agreement with Quad Knopf Inc. for the preliminary engineering of Sunland Drive from Upjohn Avenue to Bowman Road and Authorizes the Interim City Manager to execute this agreement contingent upon the City Attorney's review and approval of the agreement

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RESOLUTION NO. 13-XX

A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH, QUAD KNOPF INC. FOR THE PRELIMINARY ENGINEERING OF SUNLAND DRIVE FROM UPJOHN AVENUE TO BOWMAN ROAD AND AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THIS AGREEMENT.

WHEREAS, the City of Ridgecrest is proposing to construct Sunland Drive from Upjohn Avenue to Bowman Road using Congestion Mitigation Air Quality (CMAQ) funds; and

WHEREAS, the City of Ridgecrest is required to complete the environmental compliance and design phases of the project prior to requesting construction authorization; and

WHEREAS, the City of Ridgecrest authorized the issuance of a request for proposal for professional civil engineering services; and

WHEREAS, proposals were received and officially opened for examination and review; and

WHEREAS, the selection committee reviewed and analyzed the proposals; and

WHEREAS, the selection committee scored and ranked the top firm; and

WHEREAS, Quad Knopf was among the top firms; and

WHEREAS, staff recommends Quad Knopf Inc. as the consultant best qualified to provide this service; and

WHEREAS, the proposed fee of \$78,000 is within the budget for these services and being expended from account number 018-4760-430-2106 ST13-02.

NOW, THEREFORE, BE IT RESOLVED that the City of Ridgecrest hereby approves the Professional Services Agreement with Quad Knopf Inc., for the preparation and provision of the environmental studies, survey, design drawings, specifications, bid documents and bidding assistance for the preliminary engineering of Sunland Drive from Upjohn Avenue to Bowman Road and Authorizes the City Manager to execute this agreement.

APPROVED AND ADOPTED THIS 3rd day of April by the following vote.

AYES:
NOES:
ABSENT:
ABSTAIN:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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CONSULTANT AGREEMENT

As of _____, 20____, the **City of Ridgecrest**, hereinafter "City," and **Quad Knopf** hereinafter "Consultant," agree as follows:

1. Purpose.

WHEREAS, CITY desires assistance for the preparation and provision of environmental studies, survey, design drawings, specifications, bid documents and bidding assistance for the preliminary engineering of the **Sunland Drive Project from Upjohn Avenue to Bowman Avenue**, wherein the CITY will retain and employ the services of CONSULTANT to provide those services; and

WHEREAS, CONSULTANT is uniquely trained, experienced, competent, and qualified to perform such professional services required by this AGREEMENT.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, the parties hereto agree as follows:

2. Services.

(a) The work to be performed by CONSULTANT is specified in Exhibit "A," "Scope of Services," attached hereto and incorporated by reference.

(b) Services and work provided by the CONSULTANT at CITY's request under this AGREEMENT shall be performed in a timely manner and shall be consistent with all requirements and standards established by applicable Federal, State, and local laws, ordinances, regulations, and resolutions.

(c) CONSULTANT must be expressly authorized to perform any of the required services under this AGREEMENT by the Public Works Director of the CITY or a designated representative, who shall administer this AGREEMENT. CONSULTANT shall report progress of work on a monthly basis, or as determined by the Public Works Director or a designated representative.

3. Consideration.

(a) Subject only to duly executed change orders, it is expressly understood and agreed that the fee shall be based upon a time and materials and in no event will the total compensation to be paid CONSULTANT under this Agreement exceed the sum of **Seventy-Eight Thousand Dollars (\$78,000.00.)**

(b) The Consultant shall complete and submit an invoice showing date of work, description of work performed, amount of invoice and supporting documentation. The City shall pay the Consultant within thirty (30) days of invoice being submitted. The invoice shall be made in writing and delivered to the CITY as follows:

Public Works Director
City of Ridgecrest
100 West California Avenue

4. Term.

This Agreement shall commence upon CITY's written authorization to proceed and shall continue until completion of the services described above and within Exhibit "A." Either party may terminate this agreement on thirty (30) days' written notice. If this contract is terminated by City without cause, City shall pay Consultant for work performed prior to the date the notice of termination is received by contractor. If the contract is terminated by Consultant without cause, Consultant shall reimburse City for additional costs to be incurred by City in obtaining the work from another consultant.

5. Ownership of Data, Reports, and Documents.

The Consultant shall deliver to the City on demand or completion of the project, notes of surveys made, reports of tests made, studies, reports, plans, and other materials and documents in hard copy and digital & CAD file formats which shall be the property of the City. If the City uses any of the data, reports, and documents furnished or prepared by the Consultant for projects other than the project shown on Exhibit "A," the Consultant shall be released from responsibility to third parties concerning the use of the data, reports, and documents. The Consultant may retain copies of the materials. The City may use or reuse the materials prepared by Consultant without additional compensation to Consultant.

6. Subcontracts.

The Consultant shall not subcontract or assign responsibility for performance of any portion of this Agreement without the prior written consent of the City. Except as otherwise specifically approved by the City, the Consultant shall include appropriate provisions of this Agreement in subcontracts so rights conferred to the City by this Agreement shall not be affected or diminished by subcontract. There shall be no contractual relationship intended, implied or created between the City and any subcontractor with respect to services under this Agreement.

7. Independent Contractor.

The Consultant is an independent contractor, and not an employee of the City.

8. Indemnification.

Consultant shall, indemnify, and hold harmless the City, its officers, employees and agents, from and against loss, injury, liability, or damages arising from any negligent act or omission to act, by Consultant or Consultant's officers, employees, or agents. Consultant's duty to indemnify and defend does not extend to the damages or liability caused by the agency's sole negligence, active negligence, or willful misconduct.

9. Insurance.

(a) The Consultant shall procure and maintain, for the duration of this Agreement, insurance against claims for injuries to persons or damages to property

arising from or in connection with the performance of the work hereunder by the Consultant, officers, agents, employees, or volunteers.

(b) The Consultant shall provide the following coverages:

(1) Commercial general liability insurance written on an occurrence basis in the amount of \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. The insurance policy shall be amended to provide the general aggregate limit shall apply separately to the work under this Agreement or the general aggregate shall be twice the required per occurrence limit.

(2) Business automobile liability insurance insuring all owned, non-owned and hired automobiles, in the amount of \$1,000,000 combined single limit per accident for bodily injury and property damage.

(3) Workers' Compensation insurance as required by the Labor Code of the State of California with the statutory limits required by the Labor Code and Employers Liability for \$1,000,000 per accident for bodily injury or disease. The Consultant and subcontractors shall cover or insure their employees working on or about the site, regardless of whether such coverage or insurance is mandatory or merely elective under the law.

(4) Professional liability insurance covering loss resulting from errors or omissions of Consultant with a liability limit of at least \$1,000,000 per occurrence.

(c) The insurance policies required above shall contain or be endorsed to contain the following specific provisions:

(1) Commercial general liability and automobile liability:

(i) The City and its Board Members, officers, employees, agents and volunteers are added as insured;

(ii) The Consultant's insurance shall be primary insurance as respects the City, its Board Members, officers, employees, agents and volunteers and any insurance or self-insurance maintained by the City shall be in excess of the Consultant's insurance and shall not contribute to it.

(iii) Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage under the policy provided to the City, its Board Members, officers, employees, agents and volunteers.

(iv) The policies shall contain a waiver of transfer rights of recovery ("waiver of subrogation") against the City, its Board Members, officers, employees, agents and volunteers for any claims arising out of the work of the Consultant.

(v) The policies may provide coverage which contains deductible or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Consultant shall be solely responsible for deductible and/or self-insured retention and the City, at its option, may require the Consultant to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit. The insurance policies that contain deductibles or self-insured retentions in excess of \$25,000 per occurrence shall not be acceptable without the prior approval of the City.

(vi) Prior to start of work under this Agreement, the Consultant

shall file with the City evidence of insurance as required above from an insurer or insurers certifying to the required coverage. The coverage shall be evidenced on an ACCORD Certificate of Insurance form (latest version) and be signed by an authorized representative of the insurer(s). A copy of form ISO 2009 required above shall be attached to the Certificate of Insurance at the time it is filed with the City. Should the required coverage be furnished under more than one policy of insurance, the Consultant may submit as many certificates of insurance as needed to provide the required amounts. In the event the Certificate furnished by the Consultant does not adequately verify the required coverage, the City has the right to require the Consultant to provide copies of the specific endorsements or policy provisions actually providing the required coverage. The City reserves the right to require certified complete copies of any insurance coverage required by this Agreement, but the receipt of such policy or policies shall not confer responsibility upon the City as to sufficiency of coverage.

(2) All Coverages: Each policy required in this section shall contain a policy cancellation clause that provides the policy shall not be canceled or otherwise terminated by the insurer or the Consultant or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City, Attention: Office Manager.

(d) All insurance required by this Agreement shall be placed with insurers licensed by the State of California to transact insurance business of the types required herein. Each insurer shall have a current Best Insurance Guide rating of not less than A: VII unless prior approval is secured from the City as to the use of such insurer.

(e) The Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein. The Consultant shall maintain evidence of compliance with the insurance requirements by the subcontractors at the job site and make them available for review by the City.

10. Miscellaneous.

(a) Copies of documents such as tracings, plans, specifications, and maps prepared or obtained under the terms of this agreement shall be delivered to and become the property of the City. These documents are instruments of service for this project only and are not intended or authorized for other use by City or third parties. Said documents shall be delivered in hard copy and digital and CAD file formats in which they were created.

Basic survey notes, sketches, charts, and computations shall be made available upon request to the owner without restrictions or limitations to their use. If the above-mentioned documents are reused by the City, revisions will be indicated and the Consultant will be released and held harmless of liabilities by City.

(b) For a period of three years following receipt of final payment, Consultant will retain and make readily available to representatives of the EDA and the comptroller General of the United States monthly progress reports, invoices, and sponsor payments for the purposes of determining the grant funds available to the City were used to defray grant costs.

(c) Consultant shall not be responsible for the acts of omissions of any Contractor, any sub-contractor, or any of the Contractor's or sub-contractor's agents or employees or any other persons (except his own employees and agents) at the project site or otherwise performing any of the work of the project, except insofar as such acts or omissions were or should have been observed and reported by an experienced and qualified design professional or by the full-time Resident Project Representation. The Contractor is solely responsible for constructions, means, methods, materials, techniques, sequences, and safety at the site.

(d) Neither party hereto shall assign, sublet or transfer interests hereunder without first obtaining written consent from the other party.

(e) The waiver by either party of any breach of this agreement shall not bar the other party from enforcing any subsequent breach thereof.

(f) Notices shall be deemed received when deposited in the U. S. Mail with postage prepaid and registered or certified addressed as follows unless advising in writing to the contrary:

Public Works Director
City of Ridgecrest
100 W. California Avenue
Ridgecrest, CA 93555-4054

Jeff Cowart, P.E.
Bakersfield Branch Manager
Quad Knopf, Inc
5080 California Ave., Suite 220
Bakersfield, CA 93309

(g) If an action at law or in equity is brought to enforce this agreement, the prevailing party shall be entitled to reasonable attorney fees and costs.

11. Integration.

This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

12. Governing Law.

This Agreement shall be interpreted and construed under, and the rights of the parties will be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed the date first above written.

APPROVED:
City of Ridgecrest

By: _____
City Manager

APPROVED AS TO FORM
City Attorney

Attorney

APPROVED:
Quad Knopf, Inc.

By:  _____
Jeff Cowart, P.E. #41964
Branch Manager

EXHIBIT A

SCOPE OF WORK

Detailed Scope of Work

Project Understanding

Providing a comprehensive plan for the street improvements of Sunland Avenue from Upjohn Avenue to Bowman Road requires understanding of the utility master plan and circulation element, but more importantly the opportunities available to connect the improvement with City's vision for a vibrant community. The project limits for Sunland extends approximately one-half mile along the mid-line of Section 3 T.27S.,R.40E., MDM. At the north end near Upjohn there is an existing park on the southeast corner of the intersection with existing curb, gutter, and sidewalk improvements. The south portion connects to Bowman Road, which is currently a two lane road, but has been presented in prior general plans as the "Bowman Road Corridor" to emphasize a key entry into the City. An existing Bike Path is located along the north portion of Bowman Road. The future residential developments, village commercial centers, bike path, pedestrian sidewalks, and parks present essential elements that will need to be considered in the design of Sunland Avenue. Quad Knopf has helped other municipalities develop comprehensive plans, construction plans, and inspection services, and brings proven sustainable solutions for the services requested in this RFP.

Our previous experience with City staff and our current involvement in the design of Downs Street will provide local knowledge from recent projects that will result in quality of work. Quad Knopf has completed the designs for the Downs Street projects from Drummond Avenue to Inyokern Road (listed above) and is currently near the end of the construction process for inspection services and Resident Engineer documentation in accordance with the Local Assistance Manual for Federally Funded Projects. We understand the unique challenges faced by the City of Ridgecrest and other desert communities. We are including requirements in the specifications regarding the acceptable temperature and wind conditions for paving as well as specific asphalt concrete and emulsion material testing requirements to address some of the issues encountered by the City in addition to the Caltrans standards.

The City has also updated its Quality Assurance Program (QAP) to be more appropriate for City projects and require more material acceptances through certificates of compliance. The revised requirements will be incorporated into our engineering reports and design plans and specifications. This methodology will be implemented for the full buildout of Sunland, but will be tailored for the segment currently proposed for construction as stated in the response to question number 5 dated October 22, 2012.

It is understood that the City will provide existing studies that are to be used by Quad Knopf for the design of Sunland Avenue improvements along the current alignment and within the existing right-of-way. Some of the studies and information to be provided by the City includes:

- Existing hydrology and hydraulic studies which are to be used for the design of the temporary arch culvert at the Bowman drainage swale/channel and the vertical alignment of Sunland Avenue;
- Existing geotechnical report which includes Sunland Avenue to be used for the structural design of the pavement section for Sunland Avenue improvements; and
- City will provide confirmation that the necessary right-of-way is already secured by the City.

The City will obtain any authorizations or releases required for Quad Knopf to use the above existing information in the design and for inclusion in the improvement plans for the proposed work. If during the course of the project, it is determined that additional or supplemental studies or information is needed to complete the design of Sunland Avenue, Quad Knopf will provide a separate proposal and fee for those additional or supplemental services.

Project Approach

Our approach and proposed scope of services is intended to provide the City of Ridgecrest with an overall project team that can perform environmental and street design services outlined in the RFP from the Preliminary Design Report, Environmental Compliance, Final Engineering Design Report, and Bid Documents. Utilizing all of the tools and processes identified in our previous SOQ, Quad Knopf will provide an overall project manager and team as described in the "Ability to Respond" section of this proposal.

We intend to prepare an environmental document as described in the scope of work that will cover the entire project to be designed by Quad Knopf.

We will provide construction plans appropriate for secondary street improvements including utility profiles with sufficient detail to allow the contractor to successfully bid and construct the project.

The improvement plans will be designed on 24"x36" plan and profile sheets with the appropriate level of information and detail to allow the contractor to construct the proposed new improvements, asphalt pavement sections, concrete surfacing, grading, drainage, street striping, signage, markings, sewer mains, and utility relocations required along the proposed roadway. These plans will include:

- ◆ Topographic survey information as described in the scope of work;
- ◆ Delineate existing pavement or concrete to be removed;
- ◆ Location, grade and elevations of new improvements;
- ◆ Roadway construction plans, construction details and traffic control plans; and
- ◆ Striping, signage, and marking plans.

As discussed in the Project Understanding, Quad Knopf will provide civil engineering design services, and environmental services under this proposal based on assumptions noted on the following scope of work, and the expectation that Quad Knopf will be able to provide engineering assistance to the City during the construction phase.

Scope of Work

Based on our Project description and our experience with the City of Ridgecrest, we propose the following scope of work to complete the anticipated project.

PHASE 1: ENVIRONMENTAL COMPLIANCE

Based on our understanding of the proposed street improvement project, it is anticipated that a Categorical Exemption under CEQA Guidelines Section 15301 (c) (repair/alteration to existing streets, sidewalks, gutters, bicycle trails, and similar facilities) will be the appropriate CEQA document for the project. Quad Knopf will prepare the Exemption and assist the City with processing. Quad Knopf also anticipates that a Categorical Exclusion with Technical Studies will be the appropriate NEPA document for the project. NEPA compliance will be processed through Caltrans and will consist of the following tasks:

Task 1.1: Field Review and Background Investigation

Quad Knopf proposes to prepare a Caltrans "Field Review" and prepare a Preliminary Environmental Study (PES) for the project. The procedure for completing the PES is described in the Local Assistance Procedures Manual (LAPM) and will be followed accordingly.

The PES consists of a four-step Preliminary Environmental Investigation process, and the completion of a PES form. An Area of Potential Effect Map will be prepared.

If the Preliminary Environmental Investigation indicates a potential for sensitive resources within the project area, Quad Knopf will conduct the appropriate technical/environmental studies described in Task 1.2 to confirm the presence of resource(s) and determine the potential significant affect(s) of the project on the resource(s). A list of possible required technical studies is provided under Section C of the PES Form. The technical studies may include, but not be limited to a Natural Environment Study and Biological Assessment. Additional studies are not anticipated other than those listed in Task 1.2, however, if Caltrans requests additional studies, Quad Knopf can perform the additional work under a separate scope and fee.

Quad Knopf will follow the instructions for completing required technical studies that are contained in the Federal Highway Administration's (FHWA) Technical Advisory 6640.8A and Environmental Handbook Volume 1 Chapters 14, 15, and 20 and the Environmental Handbook Volumes 2 and 3. Quad Knopf will provide one (1) administrative draft version to the City for review and comment. Upon receipt of comments, we will incorporate necessary revisions and submit one (1) final version.

Task 1.2: Environmental Studies and Consultation with Regulatory Agencies

We anticipate the following environmental studies will be required:

- ◆ Biological Reconnaissance: A Biological Assessment (BA) and a Natural Environment Study (NES) will be prepared to satisfy Caltrans NEPA requirements. Quad Knopf assumes that the project would disturb less than 0.1 acre of wetlands and therefore a wetlands delineation report would not be required.

Quad Knopf will consult with Caltrans staff during preparation of the required technical studies and assumes one (1) round of revisions will occur after formal submittal.

PHASE 2: CIVIL ENGINEERING DESIGN AND SURVEY SERVICES

Task 2.1: Preliminary Engineering and Survey Services Coordination

The preliminary and engineering survey services will be outlined in this task for establish the expectations of the project for the current proposed construction and the ultimate road construction. The kick-off and scoping meeting will be scheduled as soon as practical in order to review the project streets, existing available City information, confirm the scope of work, confirm roles and responsibilities of City and project team members, and confirm the project schedule including submittals and review periods. In order to assure that the project starts off on the right direction, we will have key project team members present to meet with City staff and any other stakeholders deemed appropriate including utility company representatives. During this meeting we plan to discuss and accomplish the following:

- ◆ Confirm the scope of work to be performed and the project schedule;
- ◆ Verify City accepted street improvements standards and circulation goals for traffic, bicycle, and pedestrian flows.
- ◆ Determine existing available City information for each of the streets and delivery of such information to the project team including existing information described in the above Project Understanding section; and
- ◆ Establish the information to be included in the Preliminary Design Report.

During this task, we will collect and analyze the existing available information discussed in the kick-off/scoping meeting. We will contact the existing utility companies to obtain existing available information on their current facilities within the project limits.

Task 2.2: Engineer's Preliminary Design Report (10% PDR)

After completion of the Task 2.1 and based on the information from those tasks, Quad Knopf will prepare a report to be submitted to the City for review which will be the basis for the work to be performed in the preparation of the environmental documents, and the plans, specifications and estimates for the project outlined in the following tasks. Once the City has reviewed the initial submittal and returned any comments, we will prepare the final document and submit it to the City to document our understanding for completion of the project. This report will be revisited and updated with each scheduled submittal identified in the following tasks. The report will include the following information:

- ◆ Project description and Background;
- ◆ Purpose and Need for the project with associated levels of service.
- ◆ Roadway alternatives and determination of technical studies required for analysis of impacts. For purposes of this proposal, it is anticipated that the alternatives will be limited to the current alignment and existing right-of-way.
- ◆ Incorporate survey information determined for right of way limits and existing monuments into a base map to determine projects constraints for the proposed alternatives.

Task 2.3: Engineer's Preliminary Design Report (30% PDR)

After completion of the Task 2.2 and determination of technical studies required for the design, Quad Knopf will incorporate the information provided by the City and update the PDR with additional technical studies.

- ◆ Include existing available drainage studies provided by the City required for mitigation of flood conditions under the selected alternatives;
- ◆ Indicate potential future sewer main location (horizontal location only) within the proposed roadway alternatives;
- ◆ Incorporate any available existing traffic circulation studies provided by the City related to the proposed road geometrics for incorporation of pedestrian, bicycle, and vehicular traffic;
- ◆ The PDR will include conceptual designs findings, recommendations and detailed costs estimates;
- ◆ Existing utility improvements (valves, manholes, vaults, poles, etc.) based on existing available information;
- ◆ Current condition of surface drainage facilities (cross gutters, curb and gutters, etc.);
- ◆ Evaluate areas impacted by proposed alternatives such as median curb heights, pavement cross slopes, intersections, and setbacks;
- ◆ Evaluate the need for additional improvements such as curb and gutter, cross gutter, pave outs and curb return ramps at the tie in points of the project limits.

Task 2.4: Engineer's Preliminary Design Report (60% PDR)

After completion of the Task 2.3, Quad Knopf will incorporate the information provided by the City and update the PDR with revisions required to the alternatives and technical studies.

- ◆ Prepare 60% PDR with conceptual plans, and construction preliminary costs estimates for review and approval by the City of Ridgecrest. Comments received from the City will be reviewed and confirmed with the City prior to updating the PDR for a 60% deliverable.
- ◆ Comments to the technical studies and alternatives listed in the PDR will be organized on a spreadsheet to track the decision made at each milestone. The comments will also include responses to the methodology of design in order to facilitate the communication process.
- ◆ Conduct a progress meeting with the stakeholders to discuss updates and design parameters for the review of the City prior to finalizing the report.

Task 2.5: Final Engineer's Design Report (FDR)

After completion of the Task 2.4, Quad Knopf will incorporate the information provided by the City and complete the Final Engineer's Design Report (FDR) with revisions required to the alternatives and technical studies.

- ◆ Prepare Final Engineer's Design Report (FDR) with the preferred roadway alternative, and construction preliminary costs estimates for review and approval by the City of Ridgecrest.
- ◆ Conduct a final meeting with the stakeholders to ensure that updates and design parameters have been incorporated in the FDR.

Task 2.6: Exhibits, Renderings and Presentations

Quad Knopf will provide copies of the engineering and environmental studies including exhibits, of the selected alternative for presentations to the Infrastructure Committee and the City Council.

For purposes of this proposal, attendance at two (2) total meetings have been budgeted, which include one (1) meeting with the steering committee to review the alternative selected from the PDR, one (1) meeting with the City Council;

Task 2.7: Geotechnical Investigation

During this task, Quad Knopf will review the existing available geotechnical report which will be provided by the City. It is anticipated that the report will include geotechnical evaluations, reports, and recommendations for pavement design sections, concrete driveways, curb and gutter, slabs, cross gutter, and related site improvements. The results from the investigations will be used to design the appropriate pavement section for Sunland Avenue.

Task 2.8: Determine Right of Way and Monumentation

Quad Knopf will perform office research to determine the right of way limits and property monumentation that exists based on existing available information including Parcel Map 917, which was recorded in 1974. This task will be completed in conjunction with the preliminary design report to identify right of way constraints for the proposed improvements for construction as follows.

- ◆ Right-of-way verification will consist of a review of existing available information from preliminary title reports to be provided by the City, existing record of surveys, and topographic and boundary survey.
- ◆ A base map depicting the information collected will be prepared, which will consist of existing right-of-way information obtained during this phase by our Licensed Surveyor. The proposed improvements will be superimposed on the base map to show how the design will work within the existing constraints. This will demonstrate the locations where there are problems with alignment and the proposed curb-to-curb width as well as any related right-of-way issues for the current road width proposed and for the ultimate build out.

Task 2.9: Boundary and Topographic Survey

Based on the information developed in the Preliminary Design Report (PDR), Quad Knopf will begin developing a topographic survey with incorporation of monuments confirmed in the field and used for the boundary survey.

- ◆ A topographic and boundary survey will be provided which will allow for design and construction of anticipated curb, gutter, cross-gutter, sidewalk, curb return ramps, utilities, and pavement improvements within the existing right-of-way. The topographic and boundary information will include:
 - Street centerline control and existing street rights-of-way in the project area from record data and existing monumentation;
 - Perform a horizontal and vertical control survey of proposed project alignment, in order to bring all data onto same datum;
 - Obtain sufficient information to map existing facilities and surface features as identified in the RFP, to facilitate the design of anticipated street improvements mentioned earlier in this paragraph and in the Project Understanding and Project Approach.

Task 2.10: Utility Coordination

Quad Knopf will provide Utility Coordination Services in support of our services on this project. Each location will have its own unique set of circumstances in regards to the existing dry utilities and will require various stages of coordination. Preliminary review of the sites indicates at a minimum there will be manhole covers, gas valves, etc., that will need to be raised and/or lowered during the construction phase. Existing buried utility locations will need to be identified early in the design phase in order to determine if potential conflicts exist with the construction of the project requiring relocations, and aid in the design.

Early coordination efforts have been proven to reduce costly delays during the construction phase of a project. Identifying conflicts in the design phase, rather than in the construction phase can assist with keeping a project on schedule. The utility research and coordination effort will include both a written and personal contact process, and will include the following tasks:

- ◆ Request utility plat maps showing locations of existing infrastructure for the purpose of locating facilities, coordinating potential relocations, and to aid in the preliminary design phase of the project.

- ◆ Field verify utility locations, if required.
- ◆ Identify potential conflicts.
- ◆ Prepare and submit a Letter of Notification to each utility advising them of the City's intention to construct the improvements.
- ◆ Submit Improvement Plans to the respective utility (power, phone, gas, water, & cable TV) companies with a Notification Letter.
- ◆ Request each utility review the Improvement Plans and provide a response back to Quad Knopf should they determine the project(s) jeopardizes the integrity of their infrastructure.
- ◆ Coordinate required relocations with affected utilities prior and/or during construction, as required.
- ◆ Complete required applications for the new service connections, and/or relocations, as required.

Task 2.11: Engineering Plans, Specifications, and Cost Estimates (PS&E)

Based on the information determined in the Engineer's Final Design Report (FDR Task 2.5), and field surveys (Tasks 2.8 and 2.8), Quad Knopf will begin preparation of the final designs and construction documents. For purposes of this proposal, we have assumed that the plans will be prepared in accordance with the Project Understanding and Project Approach in the previous sections.

Preparation of the plans, specifications and construction costs estimates will include:

- ◆ Design improvements for all items listed in the RFP including plan or profiles as preferred by the City showing curb flow lines or centerline grade line, temporary culvert and surface storm drain systems, potential horizontal location of future sewer trunk main, existing water mains, existing dry utilities, paving plans, traffic control striping, signage and markings.
- ◆ Prepare 10% preliminary plans: Prepare preliminary plans for construction of the proposed improvements for review and approval by the City of Ridgecrest. Preparation of these preliminary plans will begin with the preparation of the PDR. The plans will include the base plan along with data collected during Task 2.9 for the purposes of confirming the limits of construction and the criteria to be documented in the PDR.
- ◆ Prepare 30% and 60% PS&E: Prepare plans, specifications, and construction costs estimates (PS&E) to both the 30% and 60% level based on the approved project scope, PDR and FDR for review and approval by the City of Ridgecrest. Comments received from the City will be reviewed and confirmed with the City prior to updating the plans, specifications or estimates. Once the plans, specifications, and estimates have been updated and prepared to the next submittal level, they will be resubmitted to the City for review along with the City's marked set and comments. It is anticipated that the PS&E documents will be prepared concurrently with the PDR and FDR preparation, and that the PS&E documents will be at the 60% level upon approval of the FDR.
- ◆ Prepare Final (100%) PS&E: Prepare final plans, specifications, and construction costs estimates (PS&E) to the 100% level and address comments received from the 60% PS&E to be reviewed and approved by the City of Ridgecrest.

Task 2.12: Coordination with Caltrans

Quad Knopf will provide the deliverables listed in Task 2.11 to Caltrans for review and approval of design parameters and environmental mitigations recommended in Phase 1.

- ◆ Caltrans Coordination: Prepare and submit the PS&E on 24"x36" copies, and meet with Caltrans to review comments made for incorporation into the design.
- ◆ Finalize the environmental compliance and mitigation requirements of Phase 1 to reflect the preliminary design improvements approved by the stakeholders.
- ◆ Prepare, submit and process the PS&E checklist and E76 application for construction authorization as required in the Caltrans Local Assistance Procedures Manual (LAPM).

Task 2.13: Final Plans and Specifications for Bid Documents

After the final environmental compliance approval has been obtained from the Caltrans and the E76 authorization has been received, Quad Knopf will make any additional changes to the plans and specifications to reflect any additional mitigation to the improvement plans for development of the bid documents. Quad Knopf will provide digital and hard copies of the bid documents (final plans and specifications) as follows.

- ◆ Prepare and submit the PS&E package with approved signed plans on 24"x36" sheets on bond paper, one unbound signed set of specifications and bid documents, and a disc containing the entire PS&E package in pdf format.

Task 2.14: Bidding Assistance

We will assist the City of Ridgecrest in soliciting bids from contractors for the projects. Quad Knopf will prepare any addendum required, respond to questions by the contractor, attend the pre-bid meeting and associated job walks. Quad Knopf will review and evaluate the bid results of all bidders, including verifying that the three lowest bidders are qualified. This will include verifying licensing and qualifications of the three lowest bidders, and preparing a recommendation of award to the lowest responsible bidder for the project.

Quad Knopf, Inc.
Street Improvement Design Sunland Avenue - Detailed Fee Proposal
10/30/2012; Revised 12/11/12
Project Hours**

| Phase No. | Task Description | Labor cost | | | | | | | | | | | | | | Subtotal Labor | Subtotal Direct Expense | Task Cost |
|------------|---|------------------------------------|------------------------|---------------------------|-----------------|--------------------|---------------------|-----------------------|------------------------|------------------|------------------------|------------------------|--------------------|-------------|----------|----------------|-------------------------|------------------|
| | | Principal Engineer Rate (\$/hr) | Sr. Associate Engineer | Sr. Associate Engineer/PM | Senior Engineer | Associate Engineer | Utility Coordinator | Environmental Planner | Sr. Associate Engineer | Traffic Engineer | Sr. Associate Surveyor | Sr. Associate Surveyor | Sr. Associate CADD | Survey Crew | Clerical | | | |
| | | \$ 179 | \$ 140 | \$ 140 | \$ 179 | \$ 120 | \$ 120 | \$ 128 | \$ 140 | \$ 140 | \$ 140 | \$ 140 | \$ 120 | \$ 225 | \$ 59 | | | |
| 1.0 | Environmental Compliance | | | | | | | | | | | | | | | | | 16,794.70 |
| 1.1 | Environmental Reporting and Compliance Requirements | 2 | 4 | | 1 | 4 | 4 | 90 | 2 | | | | | | | | | 13,839 |
| 1.2 | Environmental Studies | | 4 | | 1 | | | 16 | | | | | | | | | | 2,786 |
| 2.0 | Civil Engineering Design and Survey Services | | | | | | | | | | | | | | | | | 61,205.30 |
| 2.01 | Preliminary Engineering and Survey Services | 2 | 2 | 2 | | | | | | | | | | | | | | 920 |
| 2.02 | 10% Deliverable of Engineer's Preliminary Design Report | | 8 | | 4 | 8 | | | 2 | 2 | | | | | | | 4 | 3,596 |
| 2.03 | 30% Deliverable of Engineer's PDR * | | 8 | | 4 | 6 | | | 2 | 2 | | | | | | | 4 | 3,357 |
| 2.04 | 60% Deliverable of Engineer's PDR | | 4 | | 1 | 4 | | | 1 | 1 | | | | | | | 2 | 1,619 |
| 2.05 | 100% Deliverable of Final Engineer's Design Report | | 4 | | 1 | 2 | | | 1 | 1 | | | | | | | 2 | 1,380 |
| 2.06 | Exhibits, Renderings and Presentations to City Staff | 1 | 6 | 6 | | 4 | | | 1 | 1 | | | | | | | | 2,624 |
| 2.07 | Geotechnical Investigations | | 1 | | 1 | 1 | | | | | | | | | | | | 439 |
| 2.08 | Determine Right of Way and Monumentation | | 2 | | | | | | 1 | | | | 4 | 4 | | | | 1,544 |
| 2.09 | Boundary, Topographic, and Record Survey | | 2 | | 1 | 2 | | | | | | | 2 | 2 | 24 | | | 6,620 |
| 2.10 | Utility Coordination | | | 1 | | | 20 | | 1 | 1 | | | | | | 2 | | 2,934 |
| 2.11 | Engineering PS&E * | 2 | 8 | 8 | 2 | 60 | | 2 | 8 | 8 | | | | | | 24 | | 14,072 |
| 2.12 | Coordination with Caltrans for project approval | 2 | 4 | | 1 | | | 2 | 16 | 4 | | | | | | | 8 | 4,638 |
| 2.13 | Plans and Specifications for Bid Documents | | 4 | 5 | 4 | 8 | 5 | | 5 | 5 | | | | | | | | 4,940 |
| 2.14 | Bidding Assistance | 1 | 8 | 5 | 1 | | | | 16 | | | | | | | | 12 | 5,143 |
| | TOTAL COST | 10 | 69 | 27 | 22 | 99 | 29 | 110 | 56 | 25 | 4 | 6 | 2 | 24 | 58 | | | \$ 70,450 |
| | | \$ 1,791 | \$ 9,688 | \$ 3,791 | \$ 3,940 | \$ 11,850 | \$ 3,471 | \$ 14,058 | \$ 7,862 | \$ 3,510 | \$ 562 | \$ 842 | \$ 239 | \$ 5,400 | \$ 3,445 | | | \$ 70,450 |
| | | | | | | | | | | | | | | | | | | \$ 7,550 |
| | | | | | | | | | | | | | | | | | | \$ 7,550 |
| | | | | | | | | | | | | | | | | | | \$ 78,000.00 |

* Sub consultant Fee is for Alert O Lite to comply with the DBE goal of 3.96% as listed in the RFP. Actual DBE% = 4.103
** Fees shown represent the 10% City Discount

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

SUBJECT:

Approval Of A Letter Of Support For The Creation Of An Innovation In Defense, Energy And Aerospace iHub (iDEA Hub) At The Inyokern Airport

PRESENTED BY:

Dennis Speer – Interim City Manager

SUMMARY:

Pursuant to discussion at the Council meeting, dated March 6, 2013, staff has prepared a sample letter to be approved in support of the Inyokern Airports application for the creation of a state of California innovation hub (iHub) to be known as iDEA Hub – Innovation in Defense, Energy and Aerospace.

FISCAL IMPACT:

No Fiscal Impact
Reviewed by Finance Director

ACTION REQUESTED:

Authorize the City Manager to prepare a letter of support to the Deputy Director of Innovation and Entrepreneurship in the California Governor's Office of Business and Economic Development supporting the creation of an Innovation in Defense, Energy and Aerospace iHub.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Authorize the City Manager to prepare a letter of support to the Deputy Director of Innovation and Entrepreneurship in the California Governor's Office of Business and Economic Development supporting the creation of an Innovation in Defense, Energy and Aerospace iHub

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Sample Letter of Support

February 19, 2013

Mr. Louis Stewart
Deputy Director, Innovation and Entrepreneurship
California Governor's Office of
Business and Economic Development (GO-Biz)
1400 Tenth Street, Second Floor
Sacramento, CA 95814

RE: Support for the creation of an Innovation in Defense, Energy and Aerospace iHub

Dear Louis:

On behalf of the City of Ridgecrest, CA, we wish to express our support for the creation of a State of California innovation hub (iHub) to be known as iDEA Hub – Innovation in Defense, Energy and Aerospace.

The City of Ridgecrest is located in the southern portion of the Indian Wells Valley and in the northeast corner of Kern County, surrounded by four mountain ranges; the Sierra Nevada on the west, the Cosos on the north, the Argus Range on the east, and the El Paso Mountains on the south. It is approximately an hour and quarter from the Lancaster/Palmdale area and approximately two hours from both Bakersfield and San Bernardino. A favorable characteristic of the City is its proximity to two major highways, the 395 and 14. Air travel in and out of the city is provided through the Inyokern Airport. These attributes make Ridgecrest, a central location for shopping and business for the Eastern Kern County area. Ridgecrest is also easily accessible to the rest of southern California making it an ideal location for industry.

Ridgecrest evolved into a growing and dynamic city during the 1950's and 1960's as a support community, vital to the mission of the Navy, by providing housing and services for Federal employees and contractors. Ridgecrest incorporated in 1963 and now provides shopping for over 40,000 people throughout the Indian Wells Valley.

With the China Lake Alliance as the main program coordinator and sponsor for the proposed iHub, we will work in conjunction with the City of Ridgecrest and the Naval Air Warfare Center Weapons Division (NAWCWD) China Lake to bring high-tech companies, universities, US Department of Defense establishments, national laboratories, economic development agencies and venture capitalists together to foster innovation, collaboration and job creation in California.

Looking towards the 21st Century the congruence of Defense, Energy and Aerospace technologies and capabilities are now more important than ever to the growth and success of both the State and National economies. Development and deployment of renewable energies is becoming paramount for both our Military and the State of California. Advances in Aerospace technologies, including Unmanned Systems,

have become a major focus for researchers in universities and government labs. The State of California, through the iDEA Hub, can position itself as a National leader in these critical arenas.

By successfully establishing the iDEA Hub as a California innovation center, the participants will enable increased collaboration and incentives to attract growing businesses in the region, capitalize on the Energy and Aerospace technologies developed in our local DoD facilities and universities, and further leverage the entrepreneurial ecosystem beyond the capability of any single organization.

Sincerely,

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

SUBJECT:

A Resolution that approves a lease agreement with Waste Management of California, Inc. and authorizes the Interim City Manager to execute the agreement.

PRESENTED BY:

Dennis Speer, Interim City Manager

SUMMARY:

The proposed agreement is for leasing a City owned property to Waste Management of California, Inc. The purpose of the lease is for providing the public service of solid waste management and removal. The property will be occupied and used by Waste Management of California, Inc. for a staging area, a truck maintenance and washing facility, truck parking and container storage, and for any other related incidental uses.

Staff recommends that the City Council approve the lease agreement.

FISCAL IMPACT:

\$60,000 in annual revenue.
Reviewed by Finance Director

ACTION REQUESTED:

Adopt the Resolution that approves the Lease Agreement with Waste Management of California, Inc. and authorizes the Interim City Manager to execute the agreement.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Adopt the Resolution that approves the Lease Agreement with Waste Management of California, Inc. and authorizes the Interim City Manager to execute the agreement.

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RESOLUTION NO. 13-

A RESOLUTION OF THE RIDGECREST CITY COUNCIL APPROVING THE LEASE AGREEMENT WITH WASTE MANAGEMENT OF CALIFORNIA, INC. AND AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, the City of Ridgecrest owns certain property set aside for public use;
and

WHEREAS, WASTE MANAGEMENT OF CALIFORNIA, Inc. provides the public service of solid waste management and removal; and

WHEREAS, Waste Management of California, Inc. desires to lease the property as its operation site; and

WHEREAS, The City Attorney prepared the lease agreement.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Ridgecrest approves the Lease Agreement with Waste Management of California, Inc. and authorizes the Interim City Manager to execute the agreement.

APPROVED AND ADOPTED this 3rd day of April 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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Building Lease Agreement

THIS LEASE ('Lease') is entered into as of April 1, 2013 ('Effective Date') by CITY OF RIDGECREST, a public agency and municipality, ("Landlord" or "City") and WASTE MANAGEMENT OF CALIFORNIA, Inc., a commercial tenant ("Tenant") for the sole purpose of providing a City public service , that of waste management and removal.

ARTICLE 1. BASIC LEASE PROVISIONS

1.1 Landlord: CITY OF RIDGECREST

1.2 Tenant: WASTE MANAGEMENT OF CALIFORNIA, Inc.

1.3 Rental Commencement Date: August 1, 2012

1.4 Premises: 1521 North China Lake Boulevard, Ridgecrest, California, as more specifically depicted on Exhibit B. Exhibit A contains a legal description of the leased Premises.

1.5 Rentable area: Approximately 62,291 square feet.

1.6 Lease term:

Basic Term: Six years and five months, computed from the first day of the first calendar month on the Rental Commencement Date, and ending December 31, 2018.

Renewal Term(s): One (one) Renewal Terms, each of one (1) year, exercisable pursuant to Section 20.18.

1.7 Annual Rental:

| | Year(s) | Monthly Rental | Annual Rental |
|------------------------|---|----------------|---------------|
| Basic Term: | 6 years and five months | \$5,000 | \$60,000 |
| | adjusted each year pursuant to <u>Section 4.2</u> . | | |
| Optional Renewal Term: | 1 year adjusted pursuant to <u>Section 4.2</u> . | | |

1.8 Use of Premises: The Premises shall be occupied and used by Tenant for the sole purpose of a staging area truck maintenance and washing facility, truck parking and container storage and for any other related incidental uses that are legally permitted under federal, state and local law, including any applicable zoning ordinance.

1.9 Security deposit: Five-thousand Dollars (\$5,000) payable upon execution of this Lease by Tenant.

1.10 Late charge: three-hundred dollars (\$300)

1.11 Addresses for notices and rent payment:

Landlord:
City of Ridgecrest
Attn: City Manager
100 W. California Ave.
Ridgecrest, California 93555-4054

Tenant:
Waste Management of California, Inc.
c/o Corporate Real Estate Dept.
720 East Butterfield Road, 4th Floor
Lombard, Illinois 60148

1.12 Lump Sum Payment:

In consideration of this lease, Tenant agrees to pay Landlord \$75,000 upon execution of this agreement. This is a separate additional rental obligation apart from the Rent obligation and Security Deposit defined herein.

1.13 Exhibits:

This Article 1 ('Basic Lease Provision') is intended to supplement and/or summarize the provisions set forth in the balance of this Lease. If there is any conflict between any provisions contained in this Article 1 and the balance of this Lease, the balance of this Lease shall control.

Exhibit A is a legal description of the leased Premises at the address commonly referred to as 1521 North China Lake Boulevard, Ridgecrest, California. Exhibit B is a map depicting the location of the leased Premises marked as "Lease Area".

ARTICLE 2. ADDITIONAL DEFINITIONS

2.1 ADDITIONAL RENTAL. The term 'Additional Rental' as used in this Lease shall mean each and every payment described in this Lease which is required to be paid by Tenant to Landlord other than the Annual Rental.

2.2 ADJUSTMENT DATE. The term 'Adjustment Date' as used in this Lease shall be used to mean each anniversary of the Rental Commencement Date during the Lease Term, including any Renewal Term(s).

2.3 ALTERATIONS. The term 'Alterations' as used in this Lease shall mean any addition, modification or other alteration of the Premises made after opening of the Premises for business.

2.4 INDEX. The term 'Index' as used in this Lease shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, for Los Angeles / Riverside / Orange County Area. If at any time the Index should not exist in the format recited herein, Landlord shall substitute any official index published by the Bureau of Labor Statistics, or successor or similar governmental agency, as may then be in existence and shall, in Landlord's opinion, be most nearly equivalent thereto.

2.5 RENTAL. The term 'Rental' or 'Rent' as used in this Lease shall mean the total of all payments described in this Lease which is required to be paid by Tenant to Landlord, including but not limited to the Annual Rental and all other items described as Additional Rental payments.

2.6 TERM OR LEASE TERM. The term 'Term' or 'Lease Term' shall refer to the term of this Lease, as specified in the Basic Lease Provisions, together with any renewals or extensions thereof.

ARTICLE 3. PREMISES

3.1 PREMISES. Landlord leases to Tenant and Tenant leases from Landlord for the Term, at the Rental and upon the covenants and conditions set forth in this Lease, the Premises described in the Basic Lease Provisions. Tenant acknowledges that, prior to execution of this Lease, Tenant has had the opportunity to inspect the Premises and, by its execution of this Lease, Tenant hereby accepts the Premises in an 'as-is' condition. Tenant acknowledges that it shall have no right of control, regulation,

approval or disapproval with respect to the use or development of any portion of Landlord property which is not included in the Premises. Tenant acknowledges that this Lease is subordinate and subject to all encumbrances, reservations, restrictions and other matters affecting the Premises or the use or occupancy thereof, in effect on the execution of this Lease or thereafter promulgated, but subject to Tenant's receipt of a non-disturbance agreement from any such encumbrances. Landlord shall deliver to Tenant copies of any title insurance policies and recorded instruments affecting the Premises.

The premises to be rented to Tenant pursuant to this lease excludes the portion of the property currently used by Cardinal Plumbing.

3.2 RESERVATION. Landlord reserves the right to use the exterior walls, floor, roof and plenum in, above and below the Premises for the installation, maintenance, use and replacement of pipes, ducts, conduits, wires, alarm lines, heating, ventilating and air conditioning lines, fire protection lines and systems, electric power, telephone and communication lines and systems, sanitary sewer lines and systems, gas lines and systems, water lines and systems, and structural elements serving the City property and for such other purposes as Landlord deems necessary, provided that such use does not interfere with Tenant's use and occupancy of the Premises..

ARTICLE 4. RENTAL

4.1 ANNUAL RENTAL. Tenant agrees to pay as rental for the use and occupancy of the Premises the Annual Rental specified in the Basic Lease Provisions, in the monthly installments so specified, in advance, on or before the first day of each month, without prior demand, offset or deduction. Should the Commencement Date be a day other than the first day of a calendar month, then the monthly installment of Annual Rental for the first fractional month shall be equal to one-thirtieth (1/30th) of the monthly installment of Annual Rental for each day from the Commencement Date to the end of the partial month. Such amount shall be payable on the Rental Commencement Date.

4.2 ADJUSTMENT TO ANNUAL RENTAL. The Annual Rental shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's first Adjustment Date, August 1, 2013. Adjustments, if

any, shall be based upon increases, if any, in the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, for Los Angeles/Riverside/Orange County Area ("Index"). The Index in publication three (3) months immediately before the commencement of the term of this Lease shall be the "Base Index." The Index in publication three (3) months immediately before the then Adjustment Date shall be the "Comparison Index." As of each Adjustment Date, the Rent payable during the ensuing twelve-month period shall be increased by a percentage equal to the percentage increase, if any, in the Comparison Index over the Base Index. If the Comparison Index for any Adjustment Date is equal to or less than the Comparison Index for the preceding Adjustment Date (or the Base Index, in the case of First Adjustment Date), the Rent for the ensuing twelve-month period shall remain unchanged. When the Rent payable as of each Adjustment Date is determined, Landlord shall promptly give Tenant written notice of such adjusted Rent and the manner in which it was computed. The adjusted Rent shall become the new "Rent." The adjusted Rent shall not go below the amount of the Rent prior to the Adjustment Date. Notwithstanding anything contained in this section 4.2, any annual Rent increase shall not be greater than 4% above the prior Annual Rental amount.

4.3 PLACE OF PAYMENT. Tenant shall pay Annual Rental and Additional Rental to Landlord at the address specified in the Basic Lease Provisions or to such other address and/or person as Landlord may from time to time designate in writing to Tenant.

4.4 LATE PAYMENTS. If Tenant fails to pay any Annual Rental or Additional Rental when the same is due and payable, the unpaid amounts shall bear interest at the rate which is the lesser of 1.25% per month or the maximum rate allowed by law from the date due to the date of payment. In addition, Tenant acknowledges that the late payment of any installment of Annual Rental or Additional Rental will cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impractical to fix. These costs and expenses will include, without limitation, administrative and collection costs and processing and accounting expenses. Therefore, if any installment of Annual Rental or Additional Rental is not received by Landlord from Tenant within five (5) days after the installment is due, Tenant shall immediately pay to Landlord the amount specified in the Basic Lease Provisions as the Late Charge, in addition to the Annual Rental and/or Additional Rental which is

otherwise due. Landlord and Tenant agree that the Late Charge represents a reasonable estimate of the costs and expenses and is fair compensation to Landlord for its loss suffered by the nonpayment by Tenant. Unless otherwise provided herein, payments of Additional Rental shall be due at the same time as the next installment of Annual Rent.

ARTICLE 5. SECURITY DEPOSIT

5.1 SECURITY DEPOSIT. Upon execution of this Lease, Tenant shall deposit with Landlord the sum specified in the Basic Lease Provisions as the Security Deposit. The Security Deposit shall be held by Landlord without obligation or liability for payment of interest thereon as security for the faithful performance by Tenant of all of the terms of this Lease to be observed and performed by Tenant. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the prior written consent of Landlord. Landlord shall not be required to keep the Security Deposit separate from its general funds, nor shall Landlord be required to pay interest on the Security Deposit.

5.2 APPLICATION OF SECURITY DEPOSIT. Should Tenant at any time during the Term hereof be in default under any provision of this Lease, Landlord may, at its option and without prejudice to any other remedy which Landlord may have at law or in equity, appropriate the Security Deposit, or the portion thereof as may be deemed necessary, and apply same toward payment of Annual Rental, Additional Rental, or to loss or damage sustained by Landlord due to the default on the part of Tenant. Within five (5) days after written demand by Landlord, Tenant shall deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the original sum deposited.

5.3 REFUND. Should Tenant perform all of the obligations under this Lease, the Security Deposit, or any unappropriated balance thereof then remaining, shall be returned to Tenant within fourteen (14) days following delivery of the Premises to Landlord, unless such funds are required for repairs of the Premises, in which event any unappropriated balance then remaining shall be delivered to Tenant within thirty (30) days following Delivery of the Premises.

ARTICLE 6. COMMON AREA

6.1 USE OF COMMON AREA. The use and occupancy by Tenant of the Premises shall include the non-exclusive use of the Common Area except areas used in the maintenance or operation of the City

property) in common with Landlord and other tenants of City property and their invitees. Any such use shall be subject to the Municipal Code, the Lease, and applicable laws concerning the use of the Common Area, established by Landlord from time to time.

6.2 CONTROL OF AND CHANGES TO COMMON AREA. Landlord shall have the sole and exclusive control of the Common Area, as well as the right to make changes to the Common Area. Landlord's rights shall include, but not be limited to, the right to (a) restrain the use of the Common Area by unauthorized persons; (b) temporarily close any portion of the Common Area for repairs, improvements or alterations or for any other reason deemed sufficient in Landlord's judgment; and (c) change the shape and size of the Common Area, add, eliminate or change the location of improvements to the Common Area, including, without limitation, buildings, parking areas, roadways and curb cuts, and construct buildings on the Common Area. Landlord may reasonably determine the nature, size and extent of the Common Area and whether portions of the same shall be surface, underground or multiple-deck, as well as make changes to the Common Area from time to time which in its opinion are deemed desirable for the Landlord.

6.3 EMPLOYEE PARKING. Landlord may designate what portions of the Common Area, if any, shall be used for automobile or other parking by Tenants and their employees, subtenants and licensees. Tenant shall require its employees, subtenants and licensees to park in such designated areas.

ARTICLE 7. TAXES

7.1 TAXES. Revenue and Taxation Code section 107, *et seq.*, impose a tax on possessory interests created in tax-exempt property. Tenant shall pay a possessory interest tax if the tax is assessed. Tenant shall also pay assessments levied by any public taxing jurisdiction arising out of the construction, reconstruction, maintenance or improvement of public improvements benefiting the premises.

ARTICLE 8. UTILITIES

8.1 UTILITY SERVICES AND CHARGES. Tenant agrees to make all arrangements for and to pay directly to the appropriate utility company all charges for utility services, including, without limitation, all utility hook-up connection charges, fees and taxes, supplied to Tenant for Tenant's use in

or about the Premises including, but not limited to, gas, electricity, water, telephone and trash collection.

8.2 WAIVER OF LIABILITY. The failure or interruption of any utility or service shall neither render Landlord liable in damages nor otherwise entitle Tenant to terminate this Lease or discontinue making payments of Annual Rental or Additional Rental, unless such failure or interruption is caused by Landlord's sole negligent acts or omissions and is permitted by statute.

8.3 TENANT'S NONPAYMENT. If Tenant fails to pay any charges referred to in this Article when due, Landlord may pay the charge, and Tenant agrees to reimburse Landlord for any amount paid by Landlord plus interest thereon at the rate which is the lesser of 1.25 % per month or the maximum rate allowed by law.

ARTICLE 9. INSURANCE

9.1 TENANT'S INSURANCE. As of the Rental Commencement Date and continuing during the Term, Tenant shall, at its sole cost and expense, procure, pay for and keep in full force and effect the following types of insurance, in at least the amounts and in the form specified below:

9.1.1 General Liability Insurance. Tenant shall procure and maintain during the term of this Lease and any extensions, Commercial General Liability Insurance to protect against Bodily Injury and Property Damage, Products / Completed Operations, Personal & Advertising Injury, and Fire Legal Liability, for damages and accidents arising out of Tenant's business operations in, out of, and around the Leased Premises, for a minimum amount of \$1,000,000.00 combined single limit for Bodily Injury and Property Damage each occurrence and \$2,000,000.00 in the aggregate.

9.2 POLICY FORM. All policies of insurance provided for herein shall be issued by insurance companies with a financial rating reasonably acceptable to Landlord and which are qualified to do business in California. All such policies shall name Landlord, its directors, officers and employees as an additional named insured and shall be for the mutual and joint benefit and protection of Landlord and Tenant. Copies of the certificates of insurance shall be delivered to Landlord prior to Tenant, its agents or employees, entering the Premises for any purpose. If available, Tenant will also provide a declarations page for each such policy. Thereafter, executed copies of renewal policies or certificates shall be

delivered to Landlord within thirty (30) days prior to the expiration of the term of each policy. All public liability, property damage and other casualty policies shall be written as primary policies and any insurance carried by Landlord shall not be contributing with such policies.

9.3 INCREASED PREMIUMS DUE TO USE OF PREMISES. Tenant shall not do any act in or about the Premises which will tend to increase the insurance rates upon the building of which the Premises are a part. Tenant agrees to pay to Landlord upon demand the amount of any increase in premiums for insurance resulting from Tenant's use of the Premises, whether or not Landlord shall have consented to the act on the part of Tenant.

9.4 INDEMNIFICATION. To the fullest extent permitted by law, Tenant covenants with Landlord that except for Landlord's sole negligent acts or omissions and only to the extent permitted by statute, Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons, or damage to property of Tenant or any other person occurring from and after the Effective Date of this Lease (or such earlier date if Tenant is given earlier access to the Premises), from any cause whatsoever related to the use, occupancy or employment of the Premises by Tenant or any person thereon or holding under Tenant or to any default by Tenant under this Lease, and Tenant shall indemnify, protect, defend and save Landlord harmless from all liability whatsoever on account of any real or alleged damage or injury and from liens, claims, damages, costs, expenses and demands related to the use of the Premises and its facilities, or any repairs, alterations or improvements which Tenant may make or cause to be made upon the Premises or arising from any default by Tenant under this Lease, but Tenant shall not be liable for damage or injury ultimately determined to be caused by the gross negligence or willful misconduct of Landlord or its designated agents, servants or employees. This obligation to indemnify shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses and liabilities incurred by Landlord or its counsel from the first notice that any claim or demand is to be made or may be made.

9.5 FAILURE BY TENANT TO MAINTAIN INSURANCE. If Tenant refuses or neglects to secure and maintain insurance policies complying with the provisions of this Article, Landlord may, but shall not be obligated to, secure the appropriate insurance policies and Tenant shall pay upon demand the cost of same to Landlord, plus interest at the rate

at which is the lesser of 1.25% per month or the maximum rate allowed by law, as Additional Rental.

ARTICLE 10. TENANT'S CONDUCT OF BUSINESS

10.1 USE AND PROHIBITIONS ON USE.

10.1.1 Compliance With Laws, Rules and Regulations. Tenant shall comply with the all rules, regulations and laws concerning the Premises or Tenant's use of the Premises, including, without limitation, the obligation at Tenant's cost to alter, maintain or restore the Premises in compliance and conformity with all laws, rules and regulations relating to the condition, use, or occupancy of the Premises during the term.

10.1.2 No Nuisance. Tenant shall not use the Premises in any manner that will constitute waste or nuisance.

10.1.3 No Auctions. No auction or distress, liquidation, going out of business, fire or bankruptcy sale may be conducted on the Premises without Landlord's prior written consent.

10.1.4 Compliance With Hazardous Materials. Tenant shall not engage in any activity on or about the Premises that violates any Environmental Law (as defined below), and shall promptly at Tenant's sole cost and expense, take all investigatory and/or remedial action reasonably required by Landlord or ordered or required by any government agency or Environmental Law for clean-up and removal of any contamination involving any Hazardous Materials (as defined below) created, caused directly or materially contributed to by Tenant. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Premises, including without limitation, the following:

(a) Federal. Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA" or "Superfund"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), 42 U.S.C. § 9601 et seq.; Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901 et seq.; Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; Clean Air Act ("CAA"), 42 U.S.C. § 78401 et seq.; Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; The Refuse Act of 1899, 33 U.S.C. § 407; Occupational Safety and Health Act ("OSHA"), 29 U.S.C. § 651 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; United States

Department of Transportation Table (49 CFR 172.101 and amendments thereto) and the Environmental Protection Agency Table (40 CFR Part 302 and amendments thereto);

(b) California. Carpenter-Presley-Tanner Hazardous Substance Account Act ("California Superfund"), Cal. Health & Safety Code § 25300 et seq.; California Hazardous Waste Control Act, Cal. Health & Safety Code Sections 25100 et seq.; Porter-Cologne Water Quality Control Act ("Porter-Cologne Act"), Cal. Water Code § 13000 et seq.; Hazardous Waste Disposal Land Use Law, Cal. Health & Safety Code § 25220 et seq.; Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), Cal. Health & Safety Code § 25249.5 et seq.; Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety Code § 25280 et seq.; California Hazardous Substance Act, Cal. Health & Safety Code § 28740 et seq.; Air Resources Law, Cal. Health & Safety Code § 39000 et seq.; Hazardous Materials Release Response Plans and Inventory, Cal. Health & Safety Code § § 25500-25541; Toxic Pits Cleanup Act of 1984 ("TPCA"), Cal. Health & Safety Code § § 25208-25208.17;

Other Laws and Regulations. All other regulations promulgated pursuant to said foregoing laws or any amendments or replacement thereof, provided such amendments or replacements shall in no way limit the original scope and/or definition of Hazardous Materials defined herein as of the Effective Date of this Lease.

The term "Hazardous Materials" includes, without limitation, any material or substance which is (a) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste" or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (b) petroleum or a petroleum product or fraction thereof; (c) asbestos; (d) polychlorinated biphenyl; (e) flammable explosives; (f) urea formaldehyde; and/or (g) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the parties hereto construe the terms "Hazardous Materials" and "Environmental Laws" in their broadest sense. Tenant shall provide prompt written notice to Landlord of the existence of Hazardous Materials on the Premises and all notices of violation of the Environmental Laws received by Tenant. Tenant shall not bring onto, create or dispose of, in or about the Premises or the Project, including but not limited

to its sewage or storm drain systems, any Hazardous Materials, except to the extent that such substance is reasonably necessary and customarily used in connection with Tenant's use set forth in paragraph 1.8, and Tenant is in compliance with all Environmental Laws, and local, state and federal laws.

10.1.5 Disclosure and Warning Obligations.

Tenant shall also comply with all laws, ordinances and regulations regarding the disclosure of the presence or danger of Hazardous Materials, including without limitation Kern County's Hazardous Materials Disclosure Program. In the event Kern County discontinues, repeals or modifies this Program, Landlord reserves the right to implement and require its own hazardous materials disclosure program for all tenants in Landlord's property, as applicable.

10.1.6 Indemnification.

Tenant shall indemnify, protect, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and each of Landlord's officers, directors, partners, employees, agents, attorneys, successors and assigns (collectively, the "Indemnitees") free and harmless from and against any and all claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including reasonable attorneys' fees and costs) for death or injury to any person or damage to any property whatsoever (including water tables and atmosphere) ("Claims") arising or resulting in whole or in part, directly or indirectly, from the presence or discharge of Hazardous Materials, in, on, under, upon or from the Premises or the improvements located thereon or from the transportation or disposal of Hazardous Materials to or from the Premises to the extent caused by Tenant. This section is in addition to the provisions of Section 9.4.

10.1.7 Assignment and Subletting.

If (i) any anticipated use of the Premises by any proposed assignee or subtenant involves the generation, storage, use, treatment or disposal of Hazardous Materials, or (ii) the proposed assignee or sublessee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Materials contaminating a property and the contamination resulted from such party's action or use of the property in question, it shall not be unreasonable for Landlord to withhold its consent to an assignment or subletting to such proposed assignee or sublessee. Landlord may require that the proposed assignee or sublessee provide information and/or a certification executed by an authorized corporate officer with respect to the foregoing matters.

10.2 COVENANTS REGARDING OPERATION.

Tenant shall; (a) comply with the Municipal Code and Rules and Regulations of Landlord, available at City Hall, as such may be amended from time to time; (b) secure and maintain a business license and all other applicable governmental approvals; (c) keep the Premises and interior and exterior portions of windows, doors and all other glass fixtures in a neat, clean, sanitary and safe conditions; and (d) keep the area adjacent to the Premises clean from visible trash, papers, oil, gum and other debris.

10.3 ADVERTISING MEDIA. Tenant shall not affix upon the Premises any sign, advertising placard, name, insignia, trademark, descriptive material or other like item unless approved in writing by Landlord in advance, which approval shall not be unlawfully withheld or delayed or unlawfully conditioned. All of Tenant's signage shall comply with the Municipal Code and all applicable rules and regulations. Tenant shall maintain its signage in good condition and repair during the Lease Term.

-ARTICLE 11. MAINTENANCE, REPAIRS - AND ALTERATIONS

11.1 LANDLORD'S RIGHT OF ENTRY. Landlord, its agents, contractors, servants and employees, may enter the Premises at all reasonable times and with twenty-four hour prior notice to: (a) examine the Premises; (b) perform any obligation to, or exercise any right or remedy of, Landlord under this Lease; (c) make repairs, alterations, improvements or additions to the Premises or to other portions of the Landlord's property as Landlord deems necessary or desirable; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; (e) serve, post or keep posted any notices required or allowed under the provisions of this Lease, including, but not limited to, notices of non-responsibility for Alterations, and (f) perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises. Tenant shall not be entitled to an abatement or reduction of Annual Rental or Additional Rental if Landlord exercises any rights reserved in this Section. Landlord shall conduct its activities on the Premises hereunder in a manner that will minimize any inconvenience, annoyance or disturbance to Tenant. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damages resulting from the reckless or willful acts or omissions of Landlord, or its authorized representatives. In an emergency that threatens

property or lives or constitutes a dangerous condition, entry may be made on less than 24 hours notice.

11.2 TENANT'S MAINTENANCE OBLIGATIONS. Tenant, at its sole expense, throughout the Lease Term, shall keep the Premises and every part thereof) including, without limitation, all utility pipes and conduits, fixtures, heating, ventilating and air conditioning equipment exclusively serving the Premises (including, without limitation, the HVAC system), all signs, locks, doors, door frames, door checks, windows, window frames, skylights and other openings in the roof or exterior walls and floor coverings in a good order, condition and repair and shall make replacements necessary to keep the Premises in this condition. All replacements shall be of quality equal to or exceeding that of the original. Should Tenant fail to make these repairs and replacements or otherwise maintain the Premises within five (5) days after written demand by Landlord, or should Tenant commence but fail to complete any repairs or replacements within a reasonable time after written demand by Landlord, Landlord may make the repairs or replacements, and Tenant shall pay the cost of such repairs and replacement, together with interest at the rate which is the lesser of 1.0% per month or the maximum rate allowed by law from the date of commencement of the work, as Additional Rental upon receipt of a bill from Landlord. Tenant shall repair promptly at its expense any damage to the Landlord caused by Tenant or its agents or employees or caused by the installation or removal of Tenant's personal property.

11.3 ALTERATIONS, ADDITIONS AND IMPROVEMENTS. Tenant shall not make any Alterations, additions or improvements, to the Premises without in each case first obtaining Landlord's prior written consent. All Alterations, additions and improvements made shall remain on and be surrendered with the Premises on expiration or termination of the Term except that Landlord may elect at the time of granting its approval to require Tenant to remove any Alterations, additions and improvements that Tenant has made to the Premises except those that are structural. If Landlord so elects, Tenant shall remove those Alterations, additions and improvements so designated by Landlord and Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of such Alterations, additions and improvements.

11.4 MECHANIC'S LIENS. Tenant shall pay all costs for work performed by or on account of it and keep the Premises and the Landlord's property free and clear of mechanics' liens or other liens. Tenant

shall give Landlord immediate notice of any lien filed against the Premises or against the City's property if related to work performed by it or for it. Upon Landlord's request, Tenant shall immediately remove of record any lien by payment or by recording an appropriate bond. If a final judgment is entered establishing the validity of any lien which has not been removed of record, Tenant shall immediately pay the judgment. If Tenant fails to pay the judgment within three (3) days of its entry, Landlord may pay the judgment on Tenant's account. If Tenant fails to remove of record any lien by recording any appropriate bond or obtaining title insurance over such lien to the extent permitted by law, or providing other agreed-upon security, Landlord, at its option and without waiving any of its other legal remedies at law or in equity, may pay the lien. In either event, the amount so paid by Landlord, together with costs and reasonable attorneys' fees, shall be immediately due and owing from Tenant to Landlord.

ARTICLE 12. ASSIGNMENT AND SUBLETTING

12.1 NO ASSIGNMENT. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge or in any matter transfer this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. If Tenant is a partnership, any change in the makeup of the partnership, whether voluntary or involuntary, which results in an ownership interest in the partnership of more than fifty (50%) percent being held by parties who were not partners as of the commencement of this Lease, or the dissolution of the partnership, shall be deemed an assignment. If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or any sale or transfer of stock in the corporation which results in more than fifty (50%) percent of the total combined voting power of all classes of stock being held by persons or entities who were not shareholders as of the commencement date of this Lease, shall be deemed an assignment. Any of the foregoing acts without Landlord's consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the prior written consent of Landlord.

12.2 NO RELEASE. No subletting or assignment shall release Tenant from Tenant's obligation under this Lease or alter the primary liability of Tenant to pay the Annual Rent and Additional Rental and to

perform all other obligations to be performed by Tenant hereunder. The acceptance of any monetary sums by Landlord from any other person shall not be deemed to be waiver by Landlord of any provision hereof. Consent to one assignment or subletting is not consent to subsequent assignments or subsequent subleases. In the event of a default in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, sublessee or successor. Landlord may consent to subsequent assignments of the Lease or subletting or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

ARTICLE 13. DAMAGE

13.1 INSURED CASUALTY. If the Premises are damaged by fire or other perils covered by the insurance carried by Landlord, the following provisions shall apply:

13.1.1 Within a period of one hundred twenty (120) days after Landlord becomes aware of the casualty, Landlord, at its cost, shall commence repair, reconstruction and restoration of the Premises to the extent of Landlord's obligation under Section 11.1 and prosecute the same diligently to completion. Tenant, at its cost, shall repair and restore all other items. Tenant shall commence this work promptly upon delivery of possession of the Premises to Tenant and diligently prosecute it to completion.

13.1.2 Notwithstanding the foregoing, in the event of a partial or total destruction of the Premises during the last two (2) years of the Lease Term, Landlord and Tenant shall each have termination right within thirty (30) days after the destruction. For purposes of this Section, "partial destruction" shall be deemed destruction to an extent of at least thirty-three and one-third percent (33-1/3%) of the then full replacement cost of the Premises as of the date of destruction.

13.2 UNINSURED CASUALTY. If the Premises are damaged as a result of any casualty not covered by Landlord's insurance, Landlord, within ninety (90) days followed the date of such damage, at its option, may commence repair, reconstruction or restoration of the Premises to the extent of Landlord's obligations under Section 11.1 and prosecute the same diligently to completion, or within said ninety (90) day period Landlord may elect not to so repair, reconstruct or restore the

Premises, in which event this Lease shall cease and terminate upon the expiration of such ninety (90) day period. In the event Landlord elects to restore, Tenant shall be responsible for the same obligations it is responsible for pursuant to Section 13.1.1 above.

13.3 DISTRIBUTION OF PROCEEDS. In the event of the termination of this Lease pursuant to this Article, all proceeds from Tenant's Fire and Extended Coverage insurance under Article 9 and covering covered items and Tenant's leasehold improvements, but excluding proceeds for trade fixtures, merchandise, signs and other personal property, shall belong to and shall be disbursed and paid directly to Landlord.

13.4 WAIVER OF TERMINATION. Tenant waives any statutory rights of termination which may arise by reason of any partial or total destruction of the Premises.

ARTICLE 14. EMINENT DOMAIN

14.1 TAKING. The term "Taking" as used in this Article shall mean an appropriation or taking under the power of eminent domain by any public or quasi-public authority or a voluntary sale or conveyance in lieu of condemnation but under threat of condemnation.

14.2 TOTAL TAKING. In the event of a Taking of the entire Premises, this Lease shall terminate and expire as of the date possession is delivered to the condemning authority, and Landlord and Tenant shall each be released from any liability accruing pursuant to this Lease after the date of termination.

14.3 PARTIAL TAKING. If there is a Taking of more than twenty-five (25%) of the Rentable Area of the Premises or, regardless of the amount taken, the remainder of the Premises is not one undivided parcel of property, either Landlord or Tenant may terminate this Lease as of the date Tenant is required to vacate a portion of the Premises upon giving notice in writing of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that a portion of the Premises have been so appropriated or taken.

14.4 TAKING. In the event of a Taking of more than 30% of the Landlord's property other than the Premises, Landlord may terminate this Lease upon thirty (30) days advance written notice to Tenant.

14.5 TERMINATION OF LEASE. If this Lease is terminated as provided above, Landlord shall be

entitled to the entire award or compensation in such condemnation proceedings, or settlement in lieu thereof, but the Annual Rental and Additional Rental for the last month of Tenant's occupancy shall be prorated and Landlord shall refund to Tenant any unearned portion of Annual Rental and Additional Rental paid in advance.

14.6 CONTINUATION OF LEASE. In the event neither Landlord nor Tenant elects to terminate this Lease as provided above, or in the event less than twenty-five percent (25%) of the Rentable Area of the Premises was subject to the Taking and the remainder thereof is an undivided parcel of property, then in either such event the Tenant shall continue to occupy the portion of the Premises which was not the subject of the Taking and the following provisions shall apply: (a) to the extent reasonably possible, Landlord will restore the Premises on the land remaining to a complete unit of like quality and character as existed prior to such appropriation or Taking provided, however, that Landlord shall have no obligation to expend funds for such purpose beyond the amount awarded to Landlord by reason of the Taking; (b) the Annual Rental shall be reduced in proportion to the percentage decrease, if any, in the Rentable Area of the Premises by reason of the Taking; and (c) Landlord shall be entitled to receive the entire award for compensation in such proceedings. Tenant hereby waives any statutory rights of termination that may arise by reason of any partial Taking of the Premises under the power of eminent domain. Notwithstanding anything herein to the contrary, Tenant does not waive the right to make a separate claim against the entity exercising eminent domain for an award or payment on account of trade fixtures, equipment or other tangible property, moving expenses or loss of business.

ARTICLE 15. DEFAULTS

15.1 EVENTS OF DEFAULT. The occurrence of one or more of the following events shall constitute a default by Tenant under this Lease.

15.1.1 Failing or refusing to pay any amount of Annual Rental, Additional Rental, or any other monetary obligation owing by Tenant to Landlord hereunder, as and when due, where such failure shall continue for a period of five business (5) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161;

15.1.2 The failure by Tenant to observe or perform any other express or implied covenants, obligations or conditions of this Lease to be observed

or performed by Tenant, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161. If the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently prosecute such cure to completion, which completion shall not occur later than sixty (60) days from the date of such notice from Landlord;

15.1.3 The vacation or abandonment of the Premises by Tenant. Abandonment is herein defined to include, but is not limited to, any absence by Tenant from the Premises for thirty (30) business days or longer while Tenant is in default under any other provision of this Lease; and/or

15.1.4 The making by Tenant of any general assignment for the benefit of creditors; or should there be filed by or against Tenant a petition to have Tenant adjudged a bankrupt or petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); or should an appointed trustee or receiver take possession of substantially all of Tenant's assets located at the Premises, or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or should substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease have been attached or judicially seized, where the seizure is not discharged within thirty (30) days.

15.1.5 Landlord does not waive any rights it has under Unlawful Detainer law, including but not limited to its rights to use the shortened discovery and trial procedures provided by Unlawful Detainer procedures.

15.2 REMEDIES UPON DEFAULT. Upon the occurrence of one or more of the foregoing events of default, and in addition to any other rights or remedies of Landlord provided by law or otherwise, without further notice or demand of any kind to Tenant or any other person, Landlord may, after receipt of an appropriate court order, either through unlawful detainer or other appropriate procedure, (a) without declaring this Lease terminated, re-enter the Premises and occupy the whole or any part thereof for and on account of Tenant; collect any unpaid rentals and other charges which have become payable, or which may thereafter become payable, and remove all persons and property from the

Premises, and any such property so removed may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant; or (b) re-enter the Premises and elect to terminate this Lease and all of the rights of Tenant in or to the Premises. Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Annual Rental, Additional Rental, or other charges later accruing, by any re-entry of the Premises, or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease. Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations).

15.3 ADDITIONAL REMEDIES UPON DEFAULT. In addition to any rights or remedies hereinbefore or hereinafter conferred upon Landlord under the terms of this Lease, the following remedies and provisions shall specifically apply in the event Tenant engages in any one or more of the acts contemplated by the provisions of Section 15.1.4 of this Lease.

15.3.1 In all events, any receiver or trustee in bankruptcy shall either expressly assume or reject this Lease within sixty (60) days following the entry of an "Order for Relief" or within such earlier time as may be provided by applicable law;

15.3.2 In the event of an assumption of this Lease by a debtor or by a trustee, such debtor or trustee shall within fifteen (15) days after such assumption (i) cure any default or provide adequate assurance that defaults will be promptly cured; (ii) compensate Landlord for actual pecuniary loss or provide adequate assurance that compensation will be made for actual pecuniary loss, including, but not limited to, all attorneys' fees and costs incurred by Landlord resulting from any such proceedings; and (iii) provide adequate assurance of future performance;

15.3.3 Where a default exists under this Lease, the trustee or debtor assuming this Lease may not require Landlord to provide services or supplies incidental to this Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of this Lease for such services and supplies provided before the assumption of such Lease;

15.3.4 The debtor or trustee may only assign this Lease if (i) it is assumed, (ii) adequate assurance of future performance by the assignee is provided, whether or not there has been a default

under this Lease, and (iii) the debtor or trustee has received Landlord's prior written consent pursuant to the provisions of Article 12 of this Lease. Any consideration paid by any assignee in excess of the rental reserved in this Lease shall be the sole property of, and paid to, Landlord;

15.3.5 Landlord shall be entitled to the fair market value for the Premises and the services provided by Landlord (but in no event less than the rental reserved in this Lease) subsequent to the commencement of a bankruptcy event;

15.3.6 Any security deposit given by Tenant to Landlord to secure the future performance by Tenant of all or any of the terms and conditions of this Lease shall be automatically transferred to Landlord upon the entry of an "Order of Relief"; and

15.3.7 The parties agree that Landlord is entitled to adequate assurance of future performance of the terms and provisions of this Lease in the event of an assignment under the provisions of the Bankruptcy Code. For purposes of any such assumption or assignment of this Lease, the parties agree that the term "adequate assurance" shall include, without limitations, at least the following:

(A) Any proposed assignee must have, as demonstrated to Landlord's satisfaction, a net worth (as defined in accordance with generally accepted accounting principle consistently applied) in an amount sufficient to assure that the proposed assignee will have the resources to meet the financial responsibilities under this Lease, including the payment of all rent. The financial condition and resources of Tenant are material inducements to Landlord entering into this Lease.

(B) Any proposed assignee must have engaged in the permitted use described in Article 5 hereof for at least five (5) years prior to any such proposed assignment.

(C) Any assumption of this Lease by a proposed assignee shall not adversely affect Landlord's relationship with any of the remaining Tenants or all or any portion of the City Property.

(D) Any proposed assignee must not be engaged in any business or activity which it will conduct on the Premises and which will subject the Premises to contamination by any Hazardous Materials.

15.4 TERMINATION OF LEASE. Should Landlord elect to terminate this Lease pursuant to the provisions above, Landlord may recover from Tenant, as damages, the following: (a) the worth at the time of award of any unpaid rental which had been earned at the time of the termination; plus rental which had been earned at the time of the termination; plus (b) the worth at the time of award of the amount

by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of rental loss Tenant proves could have been reasonably avoided; plus (c) the worth at the time of award of the amount by which the unpaid rental for the balance of the Term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; plus (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligation under this Lease or which ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees therefor, (ii) maintaining or preserving the Premises after any default, or (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises. As used in Subsection (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the maximum lawful rate. As used in Subsections (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the City property at the time of award plus one percent (1%).

15.5 DEFINITION OF RENTAL. For purposes of this Article only, the term "rental" shall be deemed to be the Annual Rental, Additional Rental and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

15.6 WAIVER. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any default. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to, or approval of, any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

15.7 DEFAULT BY LANDLORD. If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, Tenant shall have the right to notify Landlord to that effect, specifying the nature of Landlord's default. If Landlord shall fail to cure such default within thirty (30) days after receipt of such notice, or if the default is of such a character as to require more than thirty (30) days to cure, then if Landlord shall fail, within such 30 day period to commence and thereafter proceed diligently to cure such default, then and in either such event, Tenant may, in addition to its other legal remedies, cure such default for the benefit of Landlord only if the default requires an emergency repair to avoid impairment of the Tenant's use of the property as described in paragraph 1.8, and any sum so expended by Tenant (plus interest at the rate specified for delinquent rent hereunder) shall be payable by Landlord upon demand of Tenant. Tenant shall have the right to withhold, reduce or offset any amount against payments of Rent or any other charges due and payable under this Lease only after both (a) notice to Landlord, as set forth above and a failure by Landlord to cure the default, and (b) where the default requires an emergency repair to avoid impairment of the Tenant's use of the property as described in paragraph 1.8.

15.8 LANDLORD'S RIGHT TO PERFORM. If Tenant shall, after notice from Landlord, fail, within the time periods specified above, to make any payment required to be made by it under this Lease or shall default in the performance of any of Tenant's other obligations hereunder, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default and may charge Tenant for the reasonable cost thereof; provided, however, that, in the event that Tenant's failure to make such payment and/or remedy such default creates a condition which threatens imminent loss or damage to persons or property, notwithstanding the notice requirements of this Section, Landlord may make such payment and/or remedy such default to the extent necessary to avoid such emergency situation immediately and without notice to Tenant, but in such case Landlord shall, after its entry, give Tenant notice as soon thereafter as practicable, of the existence of such situation or condition and Landlord's intention or actions to remedy the same. Bills for any reasonable expense incurred by Landlord in connection therewith and for the payment of which Tenant is liable under this Section, including, without limitation, attorneys' fees and expenses (together with interest thereon at the rate which is the lesser of 1.5% per month or the

maximum rate allowed by law from and including the respective dates of Landlord's making of each such payment or incurring each such expense), may be sent by Landlord to Tenant monthly, or immediately, at Landlord's option, and shall be due and payable in accordance with the terms of said bills, and if not paid when due the amount thereof shall immediately become due and payable as Additional Rent under this Lease.

ARTICLE 16. EXCULPATION OF LANDLORD

All property kept, stored or maintained on Tenant's Premises shall be so kept, stored or maintained at the sole risk of Tenant. Landlord shall not be liable and Tenant waives all claims against Landlord for damages to person or property sustained by Tenant or by any other person or firm resulting from the building in which the Premises are located or by reason of Tenant's Premises or any equipment located thereon becoming out of repair, or through the acts or omissions of any persons present in the City property or renting or occupying any part of the City property or for loss or damage resulting to Tenant or its property from burst, stopped or leaking sewers, pipes, conduits or plumbing fixtures, or for interruption of any utility services, or from any failure of or defect in any electric line, circuit or facility or any other type of improvement or service on or furnished to Tenant's Premises or resulting from any accident in, on or about Tenant's Premises or the building in which the Premises are located.

ARTICLE 17. NOTICES

Except as otherwise required by law, any notice, information, request or reply ("Notice") required or permitted to be given under the provisions of this Lease shall be in writing and shall be given or served either personally or by mail. If given or served by mail, such Notice shall be deemed sufficiently given if (a) deposited in the United States mail, certified mail, postage prepaid, or (b) sent by express mail, or other similar overnight service, provided proof of service is available, addressed to the addresses of the parties specified in the Basic Lease Provisions. Any Notice given or served by certified or overnight mail shall be deemed given or served as of the date of deposit. Either party may, by written notice to the other in the manner specified herein, specify an address within the United States for Notices in lieu of the address specified in the Basic Lease Provisions.

ARTICLE 18. END OF TERM

18.1 SURRENDER OF PREMISES. Upon the expiration of the Lease Term, or upon earlier termination thereof through the exercise of any option to terminate the Lease Term hereof granted to Landlord, or upon the re-entry of Landlord upon the Premises as herein provided for in this Lease (collectively, the "Surrender Date"), Tenant shall peaceably and quietly leave and yield up unto Landlord the entire Premises, including the Building, in good order, condition and repair, excepting therefrom normal wear and tear. Notwithstanding the exercise by either party of any option contained herein to terminate this Lease, any unsatisfied obligations of either party accruing on or prior to the Surrender Date shall survive the Surrender Date, unless excused as of the Surrender Date by the provisions elsewhere contained in this Lease.

18.2 HOLDING OVER. This Lease shall terminate without further notice upon the expiration of the Lease Term, and should Tenant hold over in the Premises beyond this date, the holding over shall not constitute a renewal or an extension of this Lease or give Tenant any rights under this Lease. In such event, Landlord may, in its sole discretion, treat Tenant as a tenant at will, subject to all of the terms and conditions in this Lease, except that the Annual Rental shall be an amount equal to one and one-half (1 ½) times the sum of the Annual Rental and Additional Rental which was payable for the twelve (12) month period immediately preceding the expiration of the Lease. In the event Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, protect, defend (with legal counsel reasonably acceptable to Landlord) and hold Landlord harmless from all loss and liability which may accrue therefrom, including, without limitation, any claims made by any succeeding tenant. Acceptance by Landlord of any Annual Rental or Additional Rental after the expiration or earlier termination of this Lease shall not constitute a consent to a hold over hereunder, constitute acceptance of Tenant as a tenant at will or result in a renewal of this Lease.

18.3 REMOVAL OF PROPERTY. Upon the Surrender Date, all alterations, additions and improvements to the Premises shall become the exclusive property of Landlord, unless at the time of its approval, the Landlord requests Tenant to remove the Alterations, additions and improvements placed thereon by Tenant. Tenant shall repair any damage to the Premises caused by such removal, and any and all such property not so removed shall, at Landlord's option, become the exclusive property of Landlord or

be disposed of by Landlord, at Tenant's cost and expense, without further notice to or demand upon Tenant. All property of Tenant not removed within thirty (30) days after the last day of the Lease Term shall be deemed abandoned.

18.4 SURVIVAL. The provisions of this Article shall survive the Surrender Date.

ARTICLE 19. NONDISCRIMINATION

19.1 Tenant will not discriminate or permit discriminations against any person or class of persons by reason of race, color, creed, sex, orientation, national origin or other manner prohibited by law, including but not limited to the California Fair Employment and Housing Act and the Ridgecrest Municipal Code.

ARTICLE 20. MISCELLANEOUS

20.1 WAIVER. Any waiver by Landlord of a breach of a covenant of this Lease by Tenant shall not be construed as a waiver of a subsequent breach of the same covenant. The consent or approval by Landlord to anything requiring Landlord's consent or approval shall not be deemed a waiver of Landlord's right to withhold consent or approval of any subsequent similar act by Tenant. No breach by Tenant of a covenant of this Lease shall be deemed to have been waived by Landlord unless the waiver is in writing signed by Landlord.

20.2 RIGHTS CUMULATIVE. Except as provided herein to the contrary, the rights and remedies of Landlord specified in this Lease shall be cumulative and in addition to any other rights and/or remedies otherwise available, whether or not specified in this Lease.

20.3 ENTIRE AGREEMENT. It is understood that there are no oral or written agreements or representations between the parties hereto affecting this Lease, and that this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, agreements and understandings, if any, between Landlord and Tenant.

20.4 NO REPRESENTATION. Landlord reserves the absolute right to affect such other tenancies in the City property as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interests of the City.

20.5 AMENDMENTS IN WRITING. No

provision of this Lease may be amended except by an agreement in writing signed by Landlord and Tenant.

20.6 NO OTHER RELATIONSHIP. Nothing contained in this Lease shall be construed as creating the relationship of principal and agent, partnership or joint venture between Landlord and Tenant.

20.7 LAWS OF CALIFORNIA TO GOVERN. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Venue in any legal action or proceeding arising from or related to this Lease shall be in the appropriate court for the County of Kern, California.

20.8 SEVERABILITY. If any provision of this Lease or the application of such provision to any person, entity or circumstances, is found invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the other provisions of this Lease and all other provisions of this Lease shall be deemed valid and enforceable. The parties hereto agree to negotiate in good faith to replace any illegal, invalid or unenforceable provision of this Lease with a legal, valid and enforceable provision that, to the extent possible, will preserve the economic bargain of this Lease, or otherwise to amend this Lease to achieve such result.

20.9 SUCCESSORS. Subject to the restrictions on assignment and subletting contained herein, all rights and obligations of Landlord and Tenant under this Lease shall extend to and bind the respective heirs, executors, administrators, and the successors, subtenants and assignees of the parties. If there is more than one Tenant or if Tenant is a partnership or other entity and the members of which are subject to personal liability, each shall be bound jointly and severally by the terms, covenants and agreements contained in this Lease.

20.10 WARRANTY OF AUTHORITY. If Tenant is a corporation or partnership, each individual executing this Lease on behalf of the corporation or partnership represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the corporation or partnership, and that this Lease is binding upon the corporation or partnership. If Tenant is a corporation, the person executing this Lease on behalf of Tenant hereby covenants and warrants that (a) Tenant is a duly qualified corporation and all steps have been taken prior to the date hereof to qualify Tenant to do business in the State of California, (b) all franchise and corporate taxes have been paid to date, and (c) all future forms, reports, fees and other documents necessary to

comply with applicable laws will be filed when due.

20.11 BROKERS. Tenant represents and warrants that it has not had any dealings with any realtors, brokers or agents in connection with the negotiation of this Lease except as may be specifically set forth in the Basic Lease Provisions and agrees to hold Landlord harmless from the failure to pay any realtors, broken or agents and from any cost, expense or liability for any compensation, commission or changes claimed by any other realtors, brokers or agents claiming by, through or on behalf of it with respect to this Lease and/or the negotiation hereof.

20.12 NO IMPLICATION OF EXCLUSIVE USE. Nothing contained in this Lease shall be deemed to give Tenant an express or implied exclusive right to operate any particular type of business on City property.

20.13 RECORDING. Tenant shall not record this Lease or any short form of this Lease. Tenant, upon request of Landlord, shall execute and acknowledge a short form memorandum of this Lease for recording purposes. Upon the expiration or earlier termination of this Lease for any reason, Tenant shall, within three (3) days of the date of request by Landlord, convey to Landlord by quitclaim deed any and all interest Tenant may have under this Lease.

20.14 INTEREST ON PAST DUE OBLIGATIONS. Unless otherwise specifically provided in this Lease, any amount due from either party to the other party under this Lease which is not paid when due and any amount due as reimbursement to the non-defaulting party for costs incurred by such non-defaulting party in performing obligations of the defaulting party upon the defaulting party's failure to so perform shall bear interest at the rate which is the lesser of 1.25% per month or the maximum rate allowed by law from the date originally due until paid.

20.15 FIXTURES, TRADE FIXTURES, PERSONAL PROPERTY AND ALTERATIONS. Tenant agrees to keep all of its fixtures, trade fixtures, furniture and equipment free of liens and shall not use the same as security in any loan arrangements. All fixtures, trade fixtures, signs and other personal property installed in or attached to the Premises by Tenant must be new when so installed or attached.

20.16 FORCE MAJEURE. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or

reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by that party for a period equal to the prevention, delay or stoppage, except the obligations imposed with regard to Annual Rental and Additional Rental to be paid by Tenant pursuant to this Lease; provided that the party prevented, delayed or stopped shall have given the other party written notice thereof within thirty (30) days of such event causing the prevention, delay or stoppage. Notwithstanding anything to the contrary contained in this Section, in the event any work performed by Tenant or Tenant's contractors results in a strike, lockout and/or labor dispute, the strike, lockout and/or labor dispute shall not excuse the performance by Tenant of the provisions of this Lease.

20.17 ATTORNEYS' FEES. In the event Landlord or Tenant shall institute any action or proceeding against the other arising from or related to this Lease, or any default hereunder, the party not prevailing in the action or proceeding shall reimburse the prevailing party for the all costs and expenses, including reasonable attorneys' fees, incurred therein by the prevailing party, including without limitation, any fees, costs of disbursements incurred on any appeal and enforcement of a judgment from the action or proceeding.

20.18 OPTION TO RENEW. Tenant is hereby granted the option to extend the term of this Lease for the Renewal Terms described in the Basic Lease Provisions by giving notice of exercise of the option ("Option Notice") to Landlord at least ninety (90) days, but not more than one-hundred eighty (180) days, before the expiration of the Basic Term, or the then current Renewal Term, as the case may be; provided, however, that if Tenant is in default on the date of giving any such Option Notice or if Tenant has assigned or sublet the Premises, the Option Notice shall be totally ineffective, and provided further, that if Tenant is in default on the date that the Renewal Term would otherwise commence, such Renewal Term at the election of Landlord shall not commence and this Lease shall expire at the end of the Basic Term, or at the end of the then current Renewal Term, as the cause may be. Tenant shall have no other right to extend the term beyond the

specific number of Renewal Terms described in the Basic Lease Provisions. During the Renewal Term(s), all of the terms and provisions contained herein shall apply.

20.19 SUBMISSION OF LEASE. Submission of this Lease does not constitute an offer to lease. The Lease shall become effective only upon (a) approval by Landlord's city council, (b) execution and delivery thereof by Landlord and Tenant, and (c) Landlord's approval of a financial statement of Tenant, certified to be true and correct by Tenant.

20.20 INTENTIONALLY OMITTED

20.21 LIMITATION ON LIABILITY. In consideration of the benefits accruing hereunder, Tenant and all successors and assigns covenant and agree that, in the event of any actual or alleged failure, breach or default hereunder by Landlord: (a) no council-member, officer, agent or employee of Landlord shall be sued or named as a party in any suit or action, or served with process, or required to answer or otherwise plead to any service of process, except to the extent required to bring Landlord under the jurisdiction of the applicable court, nor will any judgment be taken against any council-member, officer, agent or employee of Landlord. Any judgment taken against any council-member, officer, agent or employee of Landlord may be vacated and set aside at any time nunc pro tunc, and no writ of execution will ever be levied against the assets of any council member, officer, agent or employee of Landlord; and (b) the covenants and agreements contained within this Section shall inure to the benefit of and shall be enforceable by Landlord and any council member, officer, agent or employee of Landlord.

20.22 COMPLIANCE WITH LAWS. Tenant shall comply with all federal, state and local laws rules and regulations including, without limitation, those pertaining to Tenant's business and operation, and those pertaining to hazardous substances and waste, clean water and clean air. In addition, Tenant shall comply with Landlord's rules and regulations as amended from time to time.

20.23 COUNTERPARTS. This Lease may be executed in counterparts, all of which, when taken together, shall constitute a fully executed original.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the day and year first above written.

By execution hereof, each signatory certifies that this document has been approved by the party for which he/she is

signing, and that he/she is duly authorized to execute this document on behalf of such party.

City of Ridgecrest

Waste Management of California, Inc.

By _____
Dennis Speer
Interm City Manager
Their Authorized Representatives

By _____
Jim Morgan

Attest:

By _____
[Name]
Secretary

Approved as to form:

Lemieux & O'Neill

By _____
W. Keith Lemieux
City Attorney

Approved as to form:

Waste Management of California, Inc.

By _____
Gregory Constantino
Attorney

EXHIBIT A

**LEGAL DESCRIPTION OF THE LEASED PREMISES AT 1521 NORTH CHINA LAKE BOULEVARD,
RIDGECREST, CALIFORNIA**

EXHIBIT B

PREMISES LOCATION - MAP

Area marked as “Lease Area” on the attached map depicts the Premises leased by Tenant.

EXHIBIT "A"

THE FOLLOWING LEGAL DESCRIPTION IS FOR THE PURPOSE OF DESCRIBING A LEASE AREA. A NOT TO SCALE SKETCH IS ATTACHED AND LABELED EXHIBIT B, OF THE LEASE AREA.

DESCRIPTION:

BEING ALL THAT PORTION OF A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 26 SOUTH, RANGE 40 EAST, M.D.B.M., IN THE CITY OF RIDGECREST, COUNTY OF KERN, STATE OF CALIFORNIA. SAID PARCEL OF LAND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 28; THENCE SOUTH $0^{\circ}08'39''$ EAST ALONG THE EASTERLY LINE OF SAID SECTION 28, A DISTANCE OF 995.10 FEET; THENCE SOUTH $89^{\circ}51'21''$ WEST 30.00 FEET TO A POINT ON THE WESTERLY LINE OF CHINA LAKE BOULEVARD, AS SHOWN ON SAID TRACT 1771; SAID TRACT BEING RECORDED IN BOOK 9, PAGES 74 THROUGH 76, IN THE OFFICE OF THE COUNTY RECORDER OF SAID KERN COUNTY; SAID POINT BEING THE NORTHEAST CORNER OF SAID PARCEL AND THE "TRUE POINT OF BEGINNING". THENCE, FROM THE "TRUE POINT OF BEGINNING", SOUTH $89^{\circ}51'21''$ WEST, 310.80 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF TRACT 1771. THENCE, SOUTH $1^{\circ}28'35''$ WEST, ALONG SAID EASTERLY LINE OF SAID TRACT 1771, 198.44 FEET; THENCE, SOUTH $89^{\circ}53'13''$ EAST, 316.41 FEET, ALONG A LINE PARALLEL TO AND 100.00 FEET NORTH OF THE NORTH LINE OF GRAAF STREET AS SHOWN ON SAID TRACT 1771 TO A POINT ON THE WESTERLY LINE OF CHINA LAKE BOULEVARD; THENCE, NORTH $0^{\circ}08'39''$ WEST, ALONG THE WESTERLY LINE OF CHINA LAKE BOULEVARD, 199.78 FEET BACK TO THE NORTHEAST CORNER AND THE "TRUE POINT OF BEGINNING".

EXCEPTING THEREFROM:

THE SOUTHERLY 94 FEET OF THE WESTERLY 61 FEET OF SAID PARCEL OF LAND.

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**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 March 20, 2013

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of March 20, 2013

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

Submitted by: Rachel J. Ford
(Rev. 6-12-09)

Action Date: April 3, 2013

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MINUTES OF THE REGULAR MEETING OF THE RIDGECREST CITY COUNCIL

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

**March 20, 2013
5:30 pm**

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. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER – 5:30 p.m.

CALL TO ORDER

ROLL CALL

Council Present: Mayor Daniel O. Clark; Mayor Pro-Tem Jason Patin; Vice-Mayor Marshall 'Chip' Holloway; Council Members James Sanders and Lori Acton

Staff Present: Interim City Manager Dennis Speer; City Clerk Rachel J. Ford; City Attorney Keith Lemieux and other staff

APPROVAL OF AGENDA

Motion To Approve Agenda (As Amended) Made By Council Member Acton , Second By Council Member Holloway . Motion Carried By Voice Vote Of 5 Ayes; 0 Nays; 0 Abstain; 0 Absent

PUBLIC COMMENT – CLOSED SESSION

- None

CLOSED SESSION

GC54956.9 (a) Conference with Legal Counsel – Potential Litigation – Public Disclosure of Potential Litigant Would Prejudice the City of Ridgecrest.

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

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CITY ATTORNEY REPORT

- Closed Session
 - Undisclosed Potential Litigation – Received Report – No Reportable Action.
- Other
 - None

PUBLIC COMMENT

Tom Wiknich

- Asked Council to poll the community about budget spending priorities for next budget year.

Dave Matthews

- Announced first day of spring.
- Asked about the official ground breaking for Super Wal-Mart

Jerry Taylor

- Commented about more transparency on closed session titles.
- Asked Council to vote to go into closed session.

Mike Neel

- Provided copy of statement to Council pertaining to DUI checkpoints. *(copy available in the Clerk's office)*
 - Jason Patin – clarified that funds

Barbara Auld

- Spoke on the City Organization meeting and commended Rachelle McQuiston for information provided.
- Announced that Rose Vargas passed away and recounted her many accomplishments in Ridgecrest.
- Asked Community to support Inyokern Airport application for Unmanned Aircraft
- Announced Ray Price to attend June 14 fair and asked for community support for the Fair.
- Asked community to support the 50th anniversary of incorporation and the NAWS 70th anniversary

Nadine Steichen

- Spoke on T-shirt she created supporting Parks & Recreation.
- Spoke on Quality of Life and Preliminary Budget meetings attended.
- Asked Community to join supporting Parks & Recreation.

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Dan Brady

- Presented Southern California Edison street light sale process to Council.
- Asked for direction from the City and indicated a cost estimate can be completed for \$10,000.
- Offered to arrange a meeting between City staff and Southern California Edison.

Dennis Speer

- Suggested SCE staff meets with staff to review the proposal.

Closed public comment at 6:29 p.m.

PRESENTATIONS

1. Employee of the Month Recognition

Clark

City Council presented Virginia Johnson with a Certificate of Appreciation for Employee of the Month.

CONSENT CALENDAR

2. Approve A Resolution Authorizing The City Of Ridgecrest To Enter Into Program Supplement Agreement No. 029-N With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R And Authorizing The Interim City Manager To Sign The Agreement(s) That Provide For The Preliminary Engineering On South Sunland Drive From East Bowman Road To East Upjohn Avenue

Speer

3. Quarterly Investment Report

McQuiston

4. Approve A Resolution Authorizing Proclamations And Establishing The Date And Time Of Presentation

Ford

5. Approve Draft Minutes Of The Regular Council Meeting Dated March 6,2013

Ford

6. Approve Draft Minutes Of The Special Council Meeting Dated March 11, 2013

Ford

ITEMS PULLED

Item 2 pulled by Dave Matthews

Motion to Approve items 3, 4, 5, and 6 of the Consent Calendar Made by Council Member Holloway, Second By Council Member Sanders. Motion Carried By Voice Vote Of 5 Ayes; 0 Noes; 0 Abstain; 0 Absent.

Item 2 discussion

Dave Matthews

- Asked why City was paving Sunland rather than East Upjohn.

Dennis Speer

- Explained the type of funds received and specific purposes allowed.
- Indicated the original projects was to be part of the Wal-Mart project and by using these funds will be able to save Tax Allocation Bond funds.

Motion To Approve Item 2 Made By Council Member Sanders, Second By Council Member Acton. Motion Carried By Voice Vote 5 Ayes; 0 Noes; 0 Abstain; And 0 Absent.

DISCUSSION AND OTHER ACTION ITEMS

7. Executive Summary and Discussion of Fiscal Year 2012-13 Budget Projections **McQuiston**

Rachelle McQuiston

- Provided staff report with handouts for the public. *(Copy available in the City Clerk's office)*
- Reviewed City loans and long-term debt amortization schedule. *(copy will be provided to City Clerk for public requests)*
- Reviewed current projections of year end 2013.

Chip Holloway

- Explained the Ridgecrest Redevelopment Agency which is no longer an obligation for City providing City meets the requirements of the Department of Finance.

Rachelle McQuiston

- Confirmed that the \$40 million showing on the books is not a general fund obligation.

Chip Holloway

- Asked about interest earned on the Tax Allocation Bonds.

Public Comment opened at 6:49 p.m.

Jerry Taylor

- Asked about Benz payoff.
- Referenced balancing of current budget.
- Commented on challenge to return the Measure 'L' breakdown to fund street projects.
- Reminded Council that at some time in future will have to borrow for wastewater.

Howard Auld

- County gives back money community pays for wastewater. Asked if those funds are being deposited into the wastewater enterprise fund.
 - Dennis Speer - Clarified that operations comes out of those funds so the growth of the fund is not 100% of what is collected.
- Asked for clarification of the bonds.
 - Rachelle McQuiston – reviewed the bonds

Mike Neel

- Referenced City Organization meeting loan from wastewater for streets fund.
 - Dennis Speer – short-term loan for general fund borrowing from gas tax to balance last year's budget. Will be shown in the FY2013-14 budget.
 - Rachelle McQuiston – confirmed short-term debt and this presentation is General Fund only. Next month report will cover other funds.

Paul Vanderwerf

- Commented on adjustments previously made to close the budget and whether these adjustments are included in the presentation.
 - Rachelle McQuiston – explained the adopted and adjusted budget columns.

Closed Public Comment At 6:59 p.m.

Dan Clark

- Reviewed projections for Measure 'L' funding.
- Referenced public comments as being comfortable with this year's expenditures to Public Safety and requests to split more for Streets next year.
- Encouraged Council to poll constituents on the topic for budget hearings.

Dennis Speer

- Commented about funds already cut from Street budget.

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Lori Acton

- Asked for clarification of funds received and how many more months will be received.
- Commented that appears most of funds are going to Police.
- Understanding that percentage was to be going to streets but changed because of backfilling police.
- Asked for clarity on where the fund stands now and whether it will be short based on diverting funds previously to Police from Streets.
 - Rachelle McQuiston – clarified receipts and projected receipts along with changes in allocations from original budget.

Chip Holloway

- Referenced Pavement Management Study and goal in spite of Measure 'L' is get as close to \$15 million TAB funds plus \$1.5 million City funds thereafter to follow the PMS plan.

Jim Sanders

- Commented on projected revenue and expenditures.
- Expectation of any funds left at the end of the year become a general fund reserve and stay that way.
- Does not want to get to a position of having to borrow short-term from wastewater to close the end of year budget.

Jason Patin

- Wants a general fund reserve of a minimum of \$1 million.
- Stop borrowing from enterprise funds and use reserve to pay unfunded shortfalls.

Lori Acton

- Asked Rachelle to briefly review the TOT revenues.
 - Rachelle McQuiston – reviewed TOT and anticipated impact of Sequestration and reduced tourism travel. Definite drop was visible in March which will not impact City until April or May. Watching TOT closely for assumptions on the FY2012-13 budget projections. Measure 'L' receipts are only 7 months, anticipate increase for next year and as more data is received will be able to adjust projections accordingly.

Jim Sanders

- Goal is to attempt to pay of wastewater loan earlier if possible.

Dan Clark

- Asked Council to receive feedback on Measure 'L' goals from public.

Chip Holloway

- Commented on recommendation of 65%-35% split, did not anticipate the need to shift funds to Police.

MINUTES - CITY COUNCIL - REGULAR

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Jerry Taylor

- Commented on revenue projections and weighted average.
- Reality of sequestration and fewer visitors so City needs to be more conservative in the revenue projections.
 - Rachelle McQuiston – clarified that other information was incorporated to both revenues and expenditures. Exemplified sales tax arriving 3 months late so projections are good for this year but need to exercise extreme caution for next year's budget. Appreciates any data available that can assist with projections and will refine expenditures with department heads as the year closes.
- Reiterated question of how we will go about gaining the knowledge. Commented on Sequestration and potential of impact being greater than anticipated.

Tom Wiknich

- Questioned Measure 'L' receipts. Clarified a total of 9 months of revenue for this fiscal year.
- Thanked Mr. Clark for getting public input on how Measure 'L' funding will be spent.
- Encouraged Council to add this item to a public poll pertaining to the next budget.

Closed Discussion at 7:26 p.m.

Matthew Alexander

- Commented on Phase II of Senior Housing Project to be considered by Planning Commission next Tuesday.

Dan Clark

- Extended support for Senior Housing and thanked staff for their work on the project.

COMMITTEE REPORTS

City Organization

Members: Dan Clark, Jim Sanders
Meeting: 3rd Tuesday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: April 16, 2013

Jim Sanders

- Reviewed year end budget projections and Measure 'L'.
- Announced next meeting and agenda items.

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Community Development Committee

Members: Jason Patin, Chip Holloway

Meetings: 1st Thursday Of The Month At 5:00 P.M.; Council Conference Room

Next Meeting: April 4, 2013

Jason Patin

- did not meet

Infrastructure Committee

Members: Dan Clark, Jason Patin

Meeting: 2nd Wednesday Of The Month At 5:00 P.M., Council Conference Room

Next Meeting: April 10, 2013

Jason Patin

- did not meet

Quality Of Life

Members: Chip Holloway, Lori Acton

Meeting: 2nd Thursday Of The Month At 5:00 P.M.; Kerr-McGee Center

Next Meeting: April 11, 2013 (Dark in June, July, December, and January)

Chip Holloway

- did not meet

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

Members: Jim Sanders, Jason Patin

Meetings: 2nd Monday Of Odd Numbered Months At 4:00 P.M., Kerr-McGee Center

Next Meeting: April 8, 2013

Jason Patin

- did not meet

Veterans Advisory Committee

Members: Jason Patin, Lori Acton

Meetings: Every Monday as needed at 6:00 p.m., Council Conference Room

Next Meeting: March 25, 2013

Lori Acton

- discussion of upcoming changes to meeting dates
- good participation

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Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Jason Patin, Chip Holloway

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: April 3, 2013 at location to be announced

Chip Holloway

- did not meet

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- None

CITY MANAGER REPORT

Dennis Speer

- Extended appreciation with budget process and finance director.

MAYOR AND COUNCIL COMMENTS

Lori Acton

- Announced cake and cookies for birthdays.
- Wished Jason Patin happy birthday
- Asked Dennis Speer for 5-year roads project list
- Next agenda – replace personnel board member

Jim Sanders

- no comment

Chip Holloway

- Asked to have meeting adjourned in memory of Rose Vargas
- Reviewed accomplishments Rose Vargas did for our community.
- Grateful to have had opportunity to say goodbye.
- Encouraged someone to retrieve her archives of Ridgecrest.

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Jason Patin

- Spoke on the suggestion of conducting a public poll about budget and measure 'I'
- Clarified Wal-Mart status, still moving forward. Have approached businesses to sign contract to be a part of the Wal-Mart complex.
- Referenced use of tax funds for streets.
- Thanked Mrs. Steichen for her support of Parks and Recreation
- Mentioned Unmanned Aircraft program and wants to provide letter of support for the Inyokern Airport.
- Happy Easter and apologize for any offense or hurt caused in the course of duties as a council member.

Dan Clark

- Commented on lost legacy of Rose Vargas and mentioned a book entitled 'My Grandfather's Blessing'. Memorial service scheduled for next month and invited community to participate.
- Attended United Way recognition of participants. Encouraged public to donate to the United Way organization.
- Commented on Council Member Acton's song and asked Council to sing happy birthday to Council Member Acton.

ADJOURNMENT at 7:43pm

Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA ITEM/FINANCING AUTHORITY

SUBJECT:

Mayor Clark, with concurrence of the Council, will appoint a member to the Personnel Commission

PRESENTED BY:

Rachel J. Ford – City Clerk

SUMMARY:

At the regular meeting of the Council on December 19, 2012, appointments were made to the Planning Commission and all standing Council Committees. Additional nominations were made at the Special Meetings of January 23, 2013, February 6, 2013, and February 20, 2013. one Vacancy remains to be filled on the Personnel Commission.

Nominations will be considered and appointments made to this commissions Pursuant to Municipal Code § 2-3.101-109.

FISCAL IMPACT:

No fiscal impact.

Reviewed by Finance Director

ACTION REQUESTED:

Appoint a member to serve on the Personnel Board.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Make a final appointment to Boards and Commissions

Submitted by: Rachel J. Ford
(Rev. 6/12/09)

Action Date: April 3, 2013

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| Commissions, Board, & Committees | Member | Member | Member | Member | Member |
|---|---------------------|---|--|--|------------------|
| Planning Commission (Each Council Member nominates a commissioner) | Christopher LeCornu | Steve Morgan | Pat Brokke | Scott Davis | Robert Obergfell |
| Personnel Commission (Each Council Member nominates a commissioner) | Ryan Hunter | Robert Obergfell | Christian Patin | Ron Carter | |
| Construction Appeals Board (Each Council Member nominates a commissioner) | Chuck Cordell | Mike Ferguson | Russ Hurst | Michael Avery | Jerry Taylor |
| Handicap Access Appeals Board (Municipal Code requires 2 members to be physically handicapped, 2 members experienced in construction, and 1 member be a public member) | Travis Riley | Steve McWilliams | Christine Alloya | Ryan Hunter | Tammy Miller |
| Infrastructure Committee (2 Council Appointments & 2 Planning Commission Appointments) | Dan Clark | Jason Patin | | | |
| City Organization & Services Committee (2 Council Appointments & 2 Planning Commission Appointments) | Dan Clark | Jim Sanders | | | |
| Parks, Recreation, & Quality of Life Committee (2 Council Appointments & 2 Planning Commission Appointments) | Chip Holloway | Lori Acton | | | |
| Community Development Committee (2 Council Appointments & 2 Planning Commission Appointments) | Jason Patin | Chip Holloway | | | |
| Activate Community Talents and Interventions For Optimal Neighborhoods Task Force (ACTION) (2 Council Appointments & 2 Planning Commission Appointments) | Jim Sanders | Jason Patin | | | |
| Ridgecrest Area Convention & Visitors Bureau (RACVB) (2 Council Appointments) | Jason Patin | Chip Holloway | | | |
| Veterans Advisory Committee (1 Council Appointment & 1 Alternate) | Jason Patin | Lori Acton | | | |
| Kern Council of Governments (KernCOG) (1 Council Appointment & 1 Alternate) | Chip Holloway | Dan Clark | | | |
| Navy Community Council (Mayor + 1 Council Appointment) | Dan Clark | Jim Sanders | | | |
| IWV Groundwater | Jim Sanders | Lori Acton | | | |
| Youth Advisory Council | Jason Patin | Dan Clark | | | |
| Civilian & Military Affairs | Lori Acton | | | | |
| Kern County Air Pollution Control Board | Chip Holloway | | | | |
| Senior Advisory Council | Lori Acton | | | | |
| Arts Council | Dan Clark | | | | |
| League of California Cities | Jason Patin | Chip Holloway | Dan Clark | | |
| Disaster Council (appointments set by Municipal Code) | Mayor/Chair | City Manager/Director of Emergency Services | Chief of Police/Asst. Director of Emergency Services | Other Emergency Service Personnel as appointed by the Director of Emergency Services to fulfill critical functions | |

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