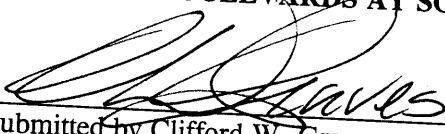





City of Carson Report to Mayor and City Council

April 17, 2012
New Business Discussion

SUBJECT: CONSIDER RESOLUTION NO. 12-043 FOR APPROVAL OF INTENTION TO FORM COMMUNITY FACILITIES DISTRICT NO. 2012-1 TO LEVY SPECIAL TAXES TO FUND THE ONGOING OPERATION, MAINTENANCE AND MONITORING OF THE ENVIRONMENTAL REMEDIATION SYSTEMS ASSOCIATED WITH THE BOULEVARDS AT SOUTH BAY PROJECT


Submitted by Clifford W. Graves
Economic Development General Manager


Approved by David C. Biggs
City Manager

THIS IS A COMPANION AGENDA ITEM

I. SUMMARY

On March 9, 2009 (Exhibit No. 2), the Carson Redevelopment Agency (Agency) approved the Second Amendment to the Owner Participation Agreement (OPA) between the Agency and Carson Marketplace LLC. The terms of the OPA included the formation of a community facilities district (CFD) to fund certain public infrastructure improvements on the site. In conjunction with a CFD for infrastructure development, Carson Marketplace LLC requested that the city form a CFD for maintenance of the environmental improvements and systems. Tonight the City Council is being asked to consider Resolution No. 12-043 (Exhibit No. 1). A funding mechanism for operations, maintenance and monitoring (OM&M) the environmental remediation systems at the project site is required by the OPA, as amended. This CFD is proposed to fund these ongoing remediation services by the levying of a special tax within the boundaries (Exhibit No. 5) of the district. No CFD Bond will be authorized or issued for the maintenance and monitoring CFD. It is proposed that a nonprofit corporation will be formed to own the remediation improvements and systems and that this nonprofit corporation will administer the CFD pending approval of the city.

II. RECOMMENDATION

WAIVE further reading and ADOPT Resolution No. 12-043, "A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY-REMEDIATION SYSTEMS OPERATIONS, MAINTENANCE AND MONITORING) AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982."

III. ALTERNATIVES

1. DO NOT approve.
2. DELAY approval to subsequent meeting pending further information or changes.
3. TAKE another action the City Council deems necessary.

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IV. BACKGROUND

The Mello-Roos Community Facilities Act of 1982 (Act) provides a financing mechanism to fund certain public improvements and services. On July 25, 2006 (Exhibit No. 3), the Carson Redevelopment Agency approved the Owner Participation Agreement between Carson Marketplace LLC and the Agency. The Agreement was amended on May 20, 2008 (Exhibit No. 4), and March 9, 2009 (Exhibit No. 2) (collectively known as the OPA). The terms of the OPA included the formation of a CFD for certain public infrastructure improvements on the site and reimbursement of debt service payments from the Merged and Amended Project Area tax increment. The OPA contemplates that the Agency will issue CFD bonds to reimburse up to \$20 million in actual public infrastructure costs due to the scale and scope of the project and costly process of remediating the old landfill site and converting it to a usable project. The term of the infrastructure CFD bonds will not exceed the remaining term of the Merged and Amended Project Area or 2033/34.

The OPA also provided for the funding of the remediation improvements, which are currently in progress, including (a) a landfill cap (geomembrane) and other associated protective systems and layers over existing waste, (b) an active gas collection and treatment system, designed to remove landfill gasses including methane and volatile organic compounds migrating upward from under the Landfill Cap, (c) a groundwater collection and treatment system designed to contain the groundwater plume and treat the extracted groundwater prior to discharge, (d) a building protection system consisting of a secondary membrane liner adhered to foundation slabs, passive venting systems and monitoring equipment to be installed in the buildings to be built on the land and (e) an operations center for the monitoring and operation of the remedial systems and components of the landfill gas system and groundwater system.

In conjunction with the remediation systems, Carson Marketplace LLC requested that the city form a CFD for maintenance of the environmental improvements and systems. This CFD, proposed to be called "Community Facilities District No. 2012 -1 of the city of Carson (The Boulevards at South Bay-Remedial Systems OM&M), (CFD No. 2012-1) is proposed as a services CFD. No CFD bonds will be authorized or issued. Special taxes will be levied and collected to fund the operations, monitoring and maintenance of the systems. It is proposed that a non-profit corporation will be formed which will own the sub-ground parcels (which will be subdivided pursuant to the Subdivision Map Act) which contain the remediation improvements and systems and that this non-profit corporation will administer the CFD. The city and/or CFD No. 2012-1 will enter into an agreement with the nonprofit in connection therewith in order to allow for the transfer of special tax revenue from the CFD to the non-profit corporation. CFD No. 2012-1 will levy annual taxes to provide funds and reserves to fund the maintenance of the remediation improvements. This includes pollution liability insurance, annual operation, maintenance, and monitoring of the remedial systems, additional future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems for and extraordinary costs related to the remedial systems installed, pay administrative expenses and pay for reasonably anticipated special tax delinquencies based on the delinquency

April 17, 2012

rate for the special tax levy in the previous Fiscal Year. The annual special tax levy is to begin at approximately \$375,000.00 per year in 2012/13 and 80% or more would be generate reserves for future insurance premiums/reserves with \$50,000.00 per year for administration. In future years the special tax could be over \$2 million per year.

The city has adopted a Land Secured Financing Policy (Policy) in connection with the formation of CFDs. This CFD meets the initial requirements of the Policy for taking the step to form CFD No. 2012-1.

The special tax would be levied on the apartments, hotel property and on commercial properties. The total effective tax rate based on projected assessed value is close to or under 2% for this CFD if the reimbursement obligation under the OPA is available and the sales tax threshold is reached for the infrastructure CFD. However, without the reimbursement, the total effective tax rate is over 2% for the hotel (2.155%) and apartment projects (2.155%) and commercial (2.853%). Regardless, the projected tax burden meets the criteria of the Policy which specifies the 2% limit for residentially owned properties. Apartment, hotel and commercial property owners are deemed sophisticated owners and investors and can assess the impact of higher tax rates. The policy does not require the 2% limit for such properties. Exhibit No. 6 outlines the rate and method of apportionment for CFD No. 2012-1.

The proposed CFD also provides a public benefit by helping to facilitate the development of the Boulevards at South Bay. No Special Tax shall be levied on below ground parcels or the operations center property. Additionally, no special tax shall be levied on public property and/or property owner association property in CFD No. 2012-1.

Considering the impact and cost of the clean up systems on the old landfill to effectuate the project, the fact that the project will create jobs, sales tax, and further residences in the city, the project and funding is beneficial to the public and in the interests of the city and public as required by the Land Secured Financing Policy.

The first step in the formation of the CFD is for the city to express its intention to form the CFD as is being requested. The resolution of intention describes the services to be funded, attaches a map of the scope of the CFD and describes the special tax formula. The taxes are apportioned equitably between the various land use classes on the property and the cost of financing the services. The taxes are generally proposed to be as follows:

Hotel Property: \$800.00 per unit per year

Apartment Property: \$1,000.00 per unit

Commercial Property: \$0.75 per square foot of Non Residential Leasable Area

There is a backup tax if the levy is insufficient. The property owner/developer will also arrange for a back-up special assessment by a property owners association or other methodology to the extent special taxes are not collected or are insufficient to fund

April 17, 2012

operations and monitoring. The special assessment will allow for efficient foreclosure of the property.

Following adoption of the initial resolution, the city will continue with the process for forming the CFD. As directed in the resolution, the City Clerk will publish notices of public hearings related to the formation of the CFD. The hearing is set for June 5, 2012. At the hearing the city will determine whether to form the district depending on the number of written protests received. Once the city has formed the district, an election will be called and held related to the special tax, and the setting of an appropriations limit. The property owner can waive certain time periods with respect to the election. Once the election takes place and if a 2/3 vote is received, the city may adopt an ordinance levying the tax. The election will be a special tax election of the landowners in the CFD. The formation process could take from three to six months.

The city is in receipt of a Petition (including consent and waiver) and a Deposit and Reimbursement Agreement (Exhibit No. 7) wherein the property owner has promised to pay the costs of the formation and will be reimbursed from special taxes.

Following the adoption of Resolution No. 12-043 of Intention for CFD 2012-1, there are a number of other actions required before the CFD is formed. This includes the approval of an agreement related to the maintenance services and the administration of the special tax between the city and the proposed non-profit corporation or other appropriate parties.

Staff will be undertaking further review of CFD 2012-1 prior to any final action by the City Council.

V. FISCAL IMPACT

No direct impact on City General Fund costs. All costs of CFD formation are funded by applicants Deposits and Reimbursement Agreement. The Special Taxes levied by the CFD will fund all other ongoing costs.

VI. EXHIBITS

1. Resolution No. 12-043 (including Exhibit C). (pgs. 6-11)
2. Minutes, March 9, 2009, Item No. 1. (pgs. 12-19)
3. Minutes, July 25, 2006, Item No. 4. (p. 20)
4. Minutes, May 20, 2008, Item No. 22. (pgs. 21-22)
5. Proposed Boundaries. (pgs. 23-24)
6. Rate and Method of Apportionment. (pgs. 25-32)
7. Deposit and Reimbursement Agreement. (pgs. 33-40)

Prepared by: _____

TO:Rev03-08-12

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council

Date _____ Action _____

RESOLUTION NO. 12-043

A RESOLUTION OF THE INTENTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY-REMEDIATION SYSTEMS OPERATIONS, MAINTENANCE AND MONITORING) AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

WHEREAS, the City Council (City Council) of the City of Carson (City), has received from Carson Marketplace, LLC (Owner) a written Petition (Petition), requesting the institution of proceedings for the establishment of a community facilities district (Community Facilities District) to fund the operations, maintenance and monitoring of environmental remediation systems related to the project known as The Boulevards at South Bay (Project); and

WHEREAS, pursuant to Section 53318(d) of the Mello-Roos Community Facilities Act of 1982 (Act), the Owner has agreed to pay a fee in an amount sufficient to compensate the City for all costs incurred in conducting the Community Facilities District creation proceedings; and

WHEREAS, the Council has reviewed its Land Secured Policies and determines that proper funding for the operation, maintenance and monitoring of the environmental remediation systems associated with the Project is in the public interest, will assist in ensuring the safety of the Project and its inhabitants thereby resulting in public benefit for the residents of the Project and the City and will generally assist in development of commercial and residential property which results in reciprocal value to the City by eliminating a hazardous, unusable site; and

WHEREAS, the Council hereby accepts the Petition to form the Community Facilities District; and

WHEREAS, the Owner has represented and warranted to the City Council that it is the owner of 100% of the area of land proposed to be included within the Community Facilities District; and

WHEREAS, under the Act, the City Council, is the legislative body and is authorized to establish the Community Facilities District and levy special taxes within the Community Facilities District; and

WHEREAS, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district; and

[MORE]

EXHIBIT NO. - 1



WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53321 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds; and

WHEREAS, the City anticipates entering into an agreement with the property owner and/or other entities in order to provide funding for the Maintenance Services (as defined herein) as authorized services of the Community Facilities District, and to confer upon the City full power to provide funding for the Maintenance Services solely from the proceeds of any special taxes authorized to be levied against property within the Community Facilities District; and

WHEREAS, the City has entered into a Deposit and Reimbursement Agreement, dated as of September 1, 2006 (Deposit Agreement), with the Owner that provides for the advancement of funds by the Owner to be used to pay costs incurred in connection with the establishment of the Community Facilities District, and provides for the reimbursement to the Owner of such funds advanced, without interest, from the proceeds of the special tax proposed to be levied within the Community Facilities District, attached as Exhibit A hereto, which by this reference is incorporated herein; and

WHEREAS, the City desires to include in this Resolution, in accordance with Section 53314.9 of the Act, the proposal to repay funds pursuant to the Deposit Agreement, and any amendments thereto or other agreements to be entered into.

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

Section 1. The above recitals are true and correct and incorporated herein by this reference.

Section 2. The City Council hereby finds that the Petition is signed by the Owner of not less than 10% of the area of land proposed to be included in the Community Facilities District.

Section 3. The City Council proposes to establish a community facilities district under the terms of the Act. The boundaries of the territory proposed for inclusion in the Community Facilities District are described in the map showing the proposed Community Facilities District on file with the City Clerk of the City (the "City Clerk") and attached hereto as Exhibit B and incorporated herein by this reference, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, said map of the boundaries of the Community Facilities District

[MORE]



in the office of the Los Angeles County Recorder within fifteen days of the date of adoption of this Resolution.

Section 4. The name proposed for the Community Facilities District is "Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay - Remedial Systems OM&M)".

Section 5. The type of services (Maintenance Services) proposed to be funded by the Community Facilities District pursuant to the Act are described under the caption "Maintenance Services" on Exhibit C hereto, which is by this reference incorporated herein. The incidental expenses proposed to be incurred are identified under the caption "Incidental Expenses" on Exhibit C hereto.

Section 6. Except where funds are otherwise available, a special tax sufficient to pay for all Maintenance Services, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (Rate and Method), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is attached as Exhibit D hereto, which by this reference is incorporated herein. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine, including direct billing of the affected property Owner.

Section 7. The City Council hereby fixes June 5, 2012, at 6:00 p.m., or as soon thereafter as the City Council may reach the matter, at 701 E. Carson Street, Carson, California, as the time and place when and where the City Council will conduct a public hearing on the establishment of the Community Facilities District.

Section 8. The City Clerk is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the Community Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said hearing. Said notice shall contain the information prescribed by Section 53322 of the Act.

Section 9. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Section 10. City staff are hereby directed to cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file a report with the City Council containing a brief description of the Maintenance Services which will in his or her opinion be required to adequately meet the needs of the Community Facilities District, and his or her estimate of the cost of funding the Maintenance Services. Such officers are hereby also directed to estimate the fair and reasonable cost of completed facilities purchases and the incidental expenses proposed to be paid. Such report shall be made a part of the record of said

[MORE]



public hearing. If removal or remedial action for the cleanup of any hazardous substance is proposed, the responsible officer for said items shall prepare or cause to be prepared, a remedial action plan based upon factors comparable to those described in subdivision (d) of Section 25356.1 of the Health and Safety Code or (b) determine, on the basis of the particular facts and circumstances, that shall be comparable to those described in subdivision (h) of Section 25356.1 of the Health and Safety Code, that the remedial action plan is not required or (c) condition financing of the removal or remedial action upon approval of a remedial action plan pursuant to Section 25356.1 of the Health and Safety Code. All of those reports shall be made a part of the record of the hearing on the resolution of intention to establish the district.

Section 11. Owner has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District. The City Council proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of special taxes levied within the Community Facilities District, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 12. The officers and employees of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 13. This Resolution shall take effect immediately upon its adoption.

Section 14. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED, APPROVED and ADOPTED this 17th day of April, 2012.

ATTEST:

Mayor Jim Dear

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney

[MORE]



EXHIBIT C

MAINTENANCE SERVICES AND INCIDENTAL EXPENSES

Maintenance Services

The operation, maintenance and monitoring of the remedial systems installed upon the Site pursuant to the Initial Remediation Work, as those terms are defined in the Owner Participation Agreement (Carson The Boulevards at South Bay), dated July 25, 2006, as amended, by and between Carson Redevelopment Agency and Carson Carson Marketplace LLC, LLC, so long as such services constitute services within the meaning of Section 53313(f) and 53313.5(k) of the Act.

The Services may include the operation, maintenance and monitoring of the remedial systems and compliance with all environmental regulatory requirements that apply to a subsurface lot that was formerly a landfill (the "Remediation Lot"), for the benefit of the owners of the real property and airspace located above the Remediation Lot, to maintain environmental liability insurance to assess potential claims arising from pollution conditions on the Remediation Lot, and to maintain appropriate reserves to fund the obligations of the services required by a non-profit corporation or other entity to operate and monitor the remedial systems. Remedial Systems include (a) a landfill cap (geomembrane) and other associated protective systems and layers over existing waste, (b) an active gas collection and treatment system, designed to remove landfill gasses including methane and volatile organic compounds migrating upward from under the Landfill Cap, (c) a groundwater collection and treatment system designed to contain the groundwater plume and treat the extracted groundwater prior to discharge, (d) a building protection system consisting of a secondary membrane liner adhered to foundation slabs, passive venting systems and monitoring equipment to be installed in the buildings to be built on the land and (e) an operations center for the monitoring and operation of the remedial systems and components of the landfill gas system and groundwater system. All insurance, operations and monitoring must be pursuant to agreements and policies appropriate and required for the type of services contemplated.

All remediation monitoring systems shall be as required pursuant to the Remedial Action Plan approved by the Department of Toxic Substances Control on October, 25, 1995 ("Remediation Plan"), as amended by the Explanation of Significant Differences from the Remediation Plan, executed on July 31, 2009, as said plans may be implemented and amended from time to time.

Boulevards at South Bay – Operation, Maintenance & Monitoring (OM&M) Annual Scenario Expenditures

Task No.	Major Scope Element
1.0	GENERAL TASKS AND ELEMENTS
1.1	Project Management for Insured Scope Items
1.2	Development Team Coordination for Insured Items

1.3	Document Compilation and Data Management for Insured Scope Items
1.4	Permitting for Ground Water Insured Scope Items
1.5	Regulatory Agency Oversight Fees for O&M EAA
2.0	REMEDIAL ACTION
2.1	Remedial Design - Ground Water
2.2	Groundwater Containment, Ex. And Treatment System
3.0	OPERATIONS AND MAINTENANCE
3.1	Land Fill Gas Collection and Treatment System (O&M)
3.2	LFG Collection and Treatment System LTM/R
3.3a	GW Containment, Ex., and Treatment System (O&M)
3.3b	GW Containment, Ex., and Treatment System (O&M)
3.4	GW Containment, Ex., and Treatment System (LTM/R)
3.5	Landfill Cap Observations and Monitoring
3.6	Landfill Cap Repairs
3.7	Storm water Monitoring and Reporting
3.8	Building Protection System O&M
3.9	ICP

Incidental Expenses

Incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and administrating services to be funded, including the cost of environmental evaluations of those services;
- (b) the cost of insuring services to be funded, including clean up cost cap insurance and pollution and remediation legal liability policy insurance;
- (c) the costs associated with the creation of the Community Facilities District, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.





**MINUTES
CARSON REDEVELOPMENT AGENCY / CITY COUNCIL
SPECIAL JOINT MEETING**

MARCH 9, 2009

ITEM NO. (1) CONSIDERATION OF RESOLUTION NO. 09-05 APPROVING THE SECOND AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT BY AND BETWEEN THE CARSON REDEVELOPMENT AGENCY AND CARSON MARKETPLACE, LLC FOR THE BOULEVARDS DEVELOPMENT PROJECT (PROJECT AREA NO. 1) (ECONOMIC DEVELOPMENT)

THIS IS A COMPANION AGENDA ITEM WITH COUNCIL ITEM NO. 2

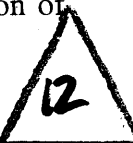
Agenda Item Nos. 1 and 2 were heard concurrently.

City Manager/Executive Director Groomes provided opening and introductory comments and noted that representatives were present this evening.

Economic Development General Manager Graves summarized the staff report and recommendation. He narrated a Powerpoint presentation entitled, "The Boulevards at South Bay Update" (copy on file with the City Clerk/Agency Secretary) and addressed the following items:

- Public Private Partnership
- Project Description
- Proposed Site Plan
- Community Benefits
- Carson Redevelopment History of Projects
- Boulevards at South Bay Development History Overview
- Agency Financial Status
- Negotiating Policies
- Financial Impact on Agency
- Agency Financing & Bond Program - Phase I Completion of Remediation (Corrected total: \$157.9 Million)
- Agency Financing & Bond Program - Phase II Public Infra Structure and Remediation Cost Reimbursement
- Public Investment Safeguards
- Current Amended OPA & Proposed OPA
- 2008 / 2009 Remediation, Vertical Development, Initial Financing, Agency Financing
- 2008 / 2009 Developer (Hopkins/LNR), Agency, Completion of Remediation, Completion of Development, Warranted Assistance

EXHIBIT NO. - 2



(Mayor Pro Tem/Chairman Pro Tem Gipson entered the meeting at 6:48 P.M.)

The representatives present introduced themselves as follows:

- Bryan Miranda, LNR Property Corporation
- Ryan Jones, LNR Property Corporation
- John Hopkins, Hopkins Realty Group
- Dennis Roy, Esq., McKenna, Long & Aldridge
- Javier Weckman, TetraTech, Inc.
- Chris Surdzial, Tetra Tech, Inc.
- Debra Daymon, Tetra Tech, Inc.

Mayor/Chairman Dear read the following list of questions raised by the City Council/Redevelopment Agency as potential community concerns (copy on file with the City Clerk/Agency Secretary):

Financial

1. If the City decided not to proceed, what would happen to the site?
2. With all of the uncertainty, how do we know what will finally be built at the site?
3. Will the city suffer program cuts because of its funding?
4. What happens if the developer goes Bankrupt?
5. If the vertical construction of the site does not take place, how does this impact the city?
6. Does the city have safeguards in place to recoup costs?
7. Why should the City move on this now, with so much risk and uncertainty, not to mention our budget problems?
8. How do we know that we can sell bonds these days?
9. With the current market conditions, why is the city still moving forward with the deal?

Environmental

1. How do the environmental issues differ from the Belmont School site?
2. What happens if DTSC does not give a final approval?
3. Are there studies that show that the remediation method taking place is safe?
4. Can the remediation of the site be guaranteed?
5. Can the methane system explode?
6. As the site is being remediated, what happens if new hazardous materials are discovered?
7. How is Tetra Tech protecting resident's health?
8. Dust is flying off the site, affecting the health of nearby residents. Why isn't something being done about it?
9. The Community Advisory Group (CAG) is being ignored; why can't the community have input on what's going on with the remediation?

Developer

1. Why is the developer doing this now, with all the economic uncertainty?
2. What are the developers funding sources beside the cities [sic]?
3. With the pending sale of the South Bay Pavilion, what measures are in place to stop the sites from becoming competing entities due to the new ownership?
4. I hear that the South Bay Pavilion is being sold; how does this affect the project?
5. Having 2 malls across the freeway from each other makes no sense; won't that kill each other off?
6. Who is the developer "really"?

Other

1. How does the development effect [sic] residents:
 - *taxes
 - *property value
 - *crime
 - *goods & services
2. I hear that mobile homes near the site are showing cracks, and even coming loose from foundations; why can't this be stopped?

Responses were provided as follows:

City Manager/Executive Director Groomes reported that there was no alternative to recommend with respect to obtaining financing for the remediation. If it were not funded; remediation would stop.

Agency Attorney Honeywell clarified that the developer was the property owner and legally responsible for the site.

Thomas Cota, DTSC, reported that if the remediation were stopped, the developer would be required to develop a plan for completion of the remediation action plan.

Financial Analyst de Crinis stated that Bank of America was the proposed bond underwriter along with Citigroup.

Economic Development General Manager Graves informed the Council/Agency that the report did not specifically refer to the bond sale because it was not before the body this evening. The bond sale item would be back for action at a later time.

Council/Agency Member Santarina expressed concerns with all of the issues connected with the project, especially how Carson would pay for the interest on the bonds when the developer does not pay.

Whereupon, a discussion ensued regarding: 1) the sufficiency of tax increment being collected to cover the debt service on the bonds; 2) the interest would be paid by growth and tax increment and project area funds; 3) bonds would pay for the remediation; and 4) the increase of land value - project cost estimated at \$900 Million in value of property after remediation.

Agency Attorney Honeywell clarified that the Agency was merely providing funding and that the burden remained on the developer.

Thomas Cota, DTSC, reported that the consent decree required a responsible party to implement the remediation plan. If development were to stop, DTSC would continue to monitor the site for impacts to the community. Furthermore, DTSC had funds to implement those activities, if necessary. \$7 Million was being committed for remediation.

Agency Attorney Honeywell further reported that the Agency would not be required to do anything under the agreement or any other agreement because it was not an owner on the property. She referred to the question relative to impact and clarified that there was nothing on our part regarding remediation on the site; loss would be the opportunity of millions of tax increment dollars from the site in a project area. She clarified that future assistance would not be available from the Agency. The Agency had no legal responsibility; however, the loss would be the opportunity. She added that there was no likelihood of the passage of legislation regarding the expiration of the project area in 2014 and that the agreements must be in place.

Council/Agency Member Santarina inquired into the parent company of the developer and the status of the \$1 Million Letter of Credit. Whereupon, Economic Development General Manager Graves discussed the LLP status of the developer.

Brian Miranda, LNR Property, 4350 Von Karman, Newport Beach, reported that the parent company was LNR Commercial Properties Investment, LLP.

Economic Development General Manager Graves reported that there was no Letter of Credit. Whereupon, City Manager/Executive Director Groomes clarified that the Agency's role and financial participation focused on remediation and the result would be a clean site. He felt that the project was a worthwhile investment for the community and urged the Council/Agency to focus on what it would take to ready ourselves for the market and to protect the community.

Upon inquiry by Council/Agency Member Davis-Holmes, City Manager/Executive Director Groomes reported that the funding, if approved, would go into a trust account, released incrementally, and that the City could be a co-signer on the funds.

Mayor Pro Tem/Chairman Pro Tem Gipson stated that he would hold his comments until after the public comments. He requested that copies of the questions be provided to the public.

Public Comments

Yolanda Punsalan, 109 W. 224th Place, Carson, California 90745, offered comments in support of the project.

Dr. Rita Boggs, 21328 Island, Carson, California 90745, offered comments relative to the inability of the developer to obtain a Letter of Credit to support the Agency's bond. She felt that the Council/Agency should defer the project to another time.

Jun Punsalan, 109 W. 224th Place, Carson, California 90745, expressed concerned with the uncertain economic situation and requested that the Council/Agency set the project aside. He stated that he did not want the city of Carson to be bankrupt.

Rosann June Like Winter, 105 W. 225th Street, requested that the Council/Agency consider a skating rink or a cheap theatre. She felt that the community did not need a mall because people cannot afford to shop.

(Council/Agency Member Santarina exited the meeting at 7:41 P.M. and reentered the meeting at 7:43 P.M.)

Fe P. Koons, 1631 Balard Street, Carson, California 90745, representing the PAG for the Environment, expressed their excitement for the proposed project and felt that it was a good land use.

Tommy Favae, 605 E. 221st Street, Carson, California 90745, expressed his support for the project because it would bring good jobs for the community.

Eddice Johnson West, 21019 Neptune Avenue, Carson, California 90745, reported that she was experienced considerable damage to her home due to impact of the heavy equipment from summer to first part of December. She wanted to know who would take care of my home if this project did not go through.

Bill Smalley, 17700 S. Avalon Boulevard, No. 111, Carson, California 90746, expressed reservations about the project. He inquired whether a feasibility study was conducted and its availability for public review. He expressed concern about the safety of the entire project and wanted the project in low gear.

Mason Napoleon, 117 E. 214th Street, Carson, California 90745, expressed his support for the project and the Carson Alliance.

Nathaniel "Nate" Riddick, 2723 Monroe Street, Long Beach, California 90810, supported the continuation of the project to make Carson a destination city.

Joe Hernandez, 415 W. Torrance Boulevard, Carson, California 90745, representing Pastor Isaac Canales, Mission Eben-Ezer Family Church, expressed his support for the project.

Kevin Napoleon, 117 E. 214th Street, Carson, California 90745, expressed his support for the project and felt that the project would bring the community together.

Ray Winbush, 19018 S. Tillman Avenue, Carson, California 90746, offered general comments regarding: 1) concern that the company may go bankrupt; 2) discussed the stimulus package; and 3) presence of illegal immigrants who take jobs and requested assurance that illegal immigrants will not be employed.

Miguel Jimenez, 23012 Catskill Avenue, Carson, California 90745, expressed his support for the project and felt that it would encourage people to buy in Carson.

Walter Clark, 20212 Annalee Avenue, Carson, California 90746, expressed his support for the project and felt that staff ought to be trusted to oversee the bond issue.

Kathleen Kendrick, 22526 Dolores, Carson, California 90745, expressed her support for the project because she wanted to see Carson grow and hoped that the children would remain in Carson.



Joseph Walker, 1711 E. Gladwick Street, Carson, California 90746, expressed concern about the jobs. He requested that the Council/Agency ensure that local contractors are hired. He suggested that a training program for HazMat training be developed for the local sub-contractors.

Miriam Vazquez, 21413 Martin Street, No. C, Carson, California 90745, expressed her support for the project.

Marvin Clayton, 426 W. Carson Street, Carson, California 90745, urged the Council/Agency to go forward with the project.

Robert Levenson, 211 E. 222nd Street, Carson, California 90745, urged the Council/Agency to go forward with the project.

Dianne Thomas, 20219 Nestor, Carson, California 90746, stated that she was in favor of remediation and urged the Council/Agency to exercise caution in the financial area. She provided booklets, entitled, "Redevelopment: The Unknown Government - What it is. What can be done," to City Clerk/Agency Secretary Kawagoe to distribute to interested persons.

Robert Lesley, P. O. Box 11164, Carson, California 90749, referred to the line of credit that was denied to the developer because bonds did not meet the criteria of AAA bonds and offered general comments regarding the issues of cost and safety.

RECESS: The City Council/Redevelopment Agency were Recessed at 8:20 P.M. by Mayor/Chairman Dear.

RECONVENE: The City Council/Redevelopment Agency was Reconvened at 8:48 P.M. by Mayor/Chairman Dear with all members previously noted present.

Agency Attorney Honeywell referred to the issue of the LLC and explained the three layers of protection for the remediation of the site as follows: First layer: The City's money will be placed into a trust account with the bank with restrictions to solely reimburse Tetra Tech on an incremental basis with restrictions on the trust account and would run with the land; Second layer: The company itself will be required to pay on the guarantee (corporate guarantee); and Third layer: The company will sign over a deed of trust securing their promises to pay sales tax if they do not build the vertical in time. She reiterated that the Agency's money is protected to make sure that it will be used for the purpose of remediating the property.

City Manager/Executive Director Groomes discussed the investment of the Agency's money -- money that was created to invest into the community.

Administrative Services General Manager Acosta briefly discussed tax increment and how it affects the General Fund.

Financial Analyst de Crinis briefly discussed comments relative to the letter of credit. He reported that all indications now were that bonds can be sold and now had an A+ rating from S&P.

Brian Miranda, LNR Property Corporation, clarified the following:

- LNR Property Corporation separated from Lennar Homes.
- The connection with the Chairman of LNR was a familial relationship.



- Due to the state of the housing market, homes will be built in 2014.

John Hopkins, 17461 Darien, Ste.106, Irvine, CA, clarified that the development would not impact the stores in the South Bay Pavilion -- interest has validated their development. Upon inquiry, he clarified that there was not a pending sale for the South Bay Pavilion.

Redevelopment Project Manager Chambers reported on the status of employment opportunities. She stated that there would be endless opportunities when the project goes vertical.

Javier Weckman, TetraTech, Inc., reported that they have made a corporate commitment to hire local services. However, training and experience on a HazMat site was required.

Economic Development General Manager Graves reported that the Economic Development Commission met last Thursday and unanimously voted to advise the Council/Agency to endorse the project.

RECOMMENDATION for the Redevelopment Agency:

TAKE the following actions:

1. REVIEW the business terms of the Second Amendment to the Owner Participation Agreement with Carson Marketplace, LLC.
2. WAIVE further reading and ADOPT Resolution No. 09-05, "A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CARSON, CALIFORNIA, APPROVING THE SECOND AMENDMENT TO OWNER PARTICIPATION AGREEMENT BY AND BETWEEN THE CARSON REDEVELOPMENT AGENCY AND CARSON MARKETPLACE, LLC FOR THE BOULEVARDS DEVELOPMENT (PROJECT AREA NO. 1)."
3. AUTHORIZE the Agency Chair to execute the Second Amendment to the Owner Participation Agreement following approval as to form by the Agency Counsel.

ACTION: WITH FURTHER READINGS WAIVED, it was moved to PASS, APPROVE, and ADOPT Council Resolution No. 09-013 and Agency Resolution No. 09-05, as read by titles only, on motion of Dear and seconded by Williams.

Upon inquiry, staff and representatives present discussed Environmental Questions Nos. 1 through 6.

Upon inquiry, Mr. Hopkins discussed the state of the art display / visitor center.

Council/Agency Member Davis-Holmes stated that she supported living up to Carson's commitment and thanked her colleagues and staff.

A discussion ensued regarding the following issues: 1) what happens if the present developer sells; 2) President Obama's Stimulus Package; 3) with the pending sale of the South Bay Pavilion, what measures were in place to eliminate competing businesses; 4) impact on mobilehomes in the vicinity of deep, dynamic impaction; and 5) concern about the financial stability of all participants.

The motion was carried by the following vote:

Ayes:	Mayor/Chairman Dear, Mayor Pro Tem/Chairman Pro Tem Gipson, Council/Agency Member Williams, and Council/Agency Member Davis-Holmes
Noes:	None
Abstain:	Council/Agency Member Santarina,
Absent:	None



**MINUTES
CARSON CITY COUNCIL / REDEVELOPMENT AGENCY
SPECIAL JOINT MEETING**

JULY 25, 2006

**ITEM NO. (4) PUBLIC BENEFIT RESOLUTION IN SUPPORT OF REDEVELOPMENT
AGENCY OWNER PARTICIPATION AGREEMENT (OPA) WITH CARSON
MARKETPLACE, LLC, TO PROVIDE FINANCIAL ASSISTANCE TOWARD
REMEDIATION AND INFRASTRUCTURE COSTS ASSOCIATED WITH THE
CARSON MARKETPLACE (ECONOMIC DEVELOPMENT)**

COMPANION ITEM TO REDEVELOPMENT AGENCY #3

RECOMMENDATION for the City Council:

1. WAIVE further reading and ADOPT Resolution No. 06-082, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, MAKING CERTAIN PUBLIC BENEFITS AND NECESSITY FINDINGS FOR PUBLIC IMPROVEMENT REIMBURSEMENT BY THE REDEVELOPMENT AGENCY OF THE CITY OF CARSON."

ACTION: This item was Approved on the New Business Consent Calendar on motion of Dear, seconded by Ruiz-Raber and unanimously carried by the following vote:

Ayes: Mayor/Chairman Dear, Mayor Pro Tem/Chairman Pro Tem Ruiz-Raber, Council/Agency Member Williams, and Council/Agency Member Gipson
Noes: None
Abstain: None
Absent: Council/Agency Member Santarina

EXHIBIT NO. - 3





**MINUTES
CARSON CITY COUNCIL
REGULAR MEETING**

MAY 20, 2008

**ITEM NO. (22) CONSIDERATION OF RESOLUTION NO. 08-068 MAKING CERTAIN PUBLIC
BENEFIT AND NECESSITY FINDINGS PURSUANT TO CALIFORNIA
HEALTH AND SAFETY CODE SECTION 33445 RELATED TO THE CARSON
MARKETPLACE DEVELOPMENT (ECONOMIC DEVELOPMENT)**

THIS IS A COMPANION AGENDA ITEM WITH AGENCY ITEM NO. 8.

At 10:24 P.M., this item was heard after Council Item No. 17.

Economic Development General Manager Graves summarized the staff report and recommendation and briefly discussed the major highlights of the OPA as affected by the Amendment. Execution of the First Amendment of the OPA would set terms and conditions for Agency provision of an additional \$10 million for remediation and \$4.5 million in financing costs n public financing from Project Area No. 1. Whereupon, City Manager/Executive Director Groomes clarified that no General Funds would be used.

(Mayor Pro Tem/Chairman Pro Tem Gipson exited the meeting at 8:25 P.M. and reentered the meeting at 10:37 P.M.)

Upon inquiry by Council/Agency Member Williams, Steve Coyne, Developer, stated that the development team work on the concept of a visitor center that would feature a replica of the high level methane gas collection system and report back. He also instructed staff to promote the concept of building a career and/or a business as opposed to just getting a job.

Public Comments

Dr. Rita Boggs, 21328 Island, Carson, California 90745, requested that this item be continued to allow the public the opportunity to review the First Amendment to the OPA. She reiterated that that the community action group members have not been invited to attend meetings of DTSC.

Mayor/Chairman Dear concurred with the comments expressed by Dr. Boggs that the community action group members should be invited to attend meetings of DTSC and suggested that City Clerk Kawagoe provide courtesy notification of the meetings, when possible. Whereupon, City Clerk/Agency Secretary Kawagoe reported that her office does not have the DTSC meeting schedule and that any notices of meetings would be a courtesy notification.

EXHIBIT NO. - 4



Robert Lesley, P. O. Box 11164, Carson, California 90749, referred to the position of DTSC relative to what could not be built on the site and felt that approval of the First Amendment would be irresponsible. Whereupon, City Manager/Executive Director Groomes clarified that there would be no change in the project – only a restructure of financial management.

RECOMMENDATION for the City Council:

TAKE the following actions:

1. WAIVE further reading and ADOPT Resolution No. 08-068, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, MAKING CERTAIN PUBLIC BENEFIT AND NECESSITY FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445 RELATED TO THE CARSON MARKETPLACE."

ACTION: It was moved to Approve staff recommendation Nos. 2 and 3 for Council Item No. 22 and the staff recommendation for Agency Item No. 8 on motion of Dear, seconded by Santarina and unanimously carried by the following vote:

Ayes:	Mayor Dear, Mayor Pro Tem Gipson, Council Member Santarina, Council Member Williams, and Council Member Davis-Holmes
Noes:	None
Abstain:	None
Absent:	None

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2012-1
OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS OM&M)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**

(1) Filed in the office of the City Clerk of the City of Carson this _____ day of _____, 2012.

Donesia Gause
City Clerk, City of Carson

(2) I hereby certify that the within map showing the proposed boundaries of Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay-Remedial Systems OM&M), County of Los Angeles, State of California, was approved by the Council of the City of Carson at a regular meeting thereof, held on this _____ day of _____, 2012, by its Resolution No. _____.

Donesia Gause
City Clerk, City of Carson

(3) Filed this _____ day of _____, 2012, at the hour of _____ of Maps of _____, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ and as Instrument No. _____ in the office of the County Recorder in the County of Los Angeles, State of California.

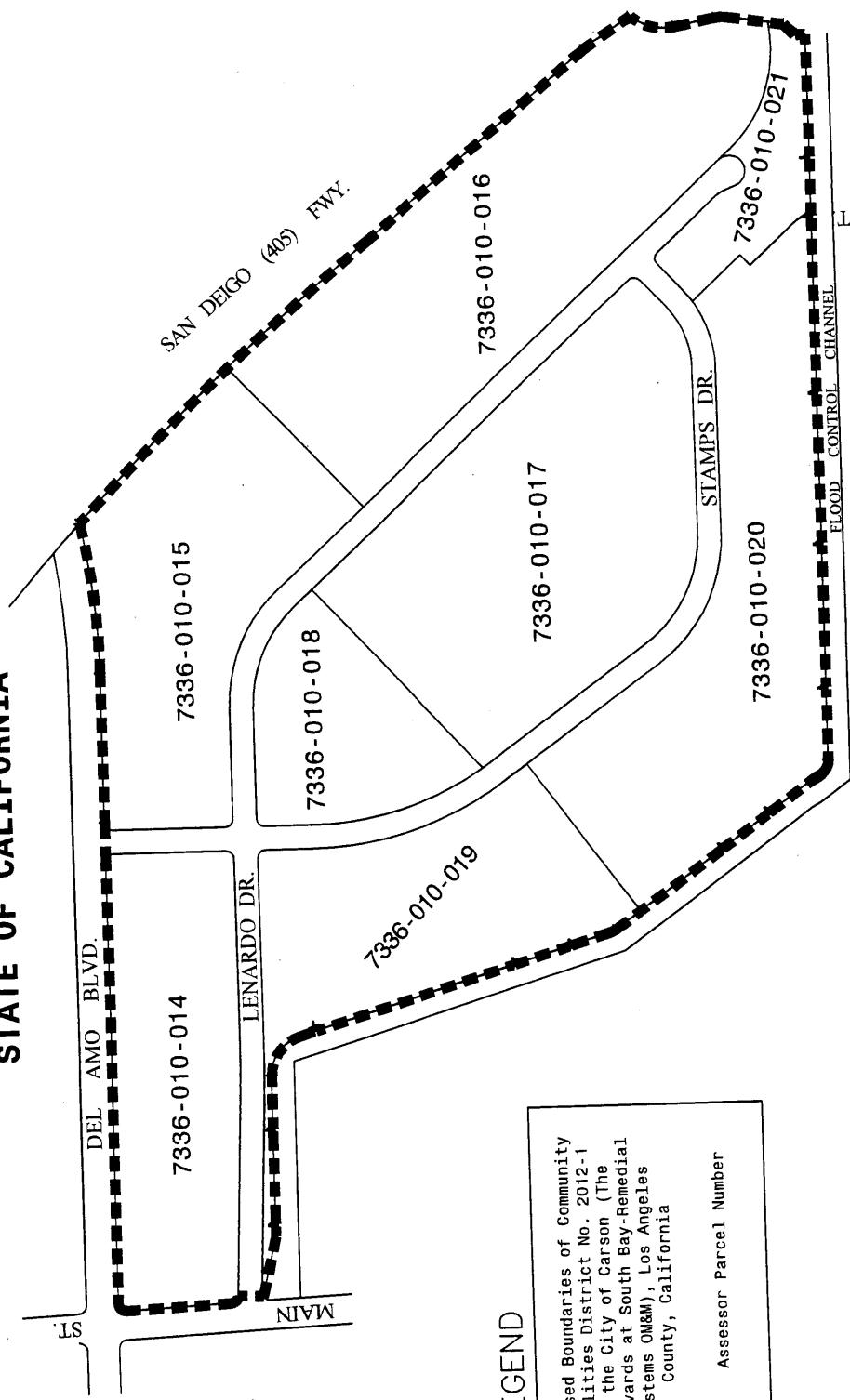
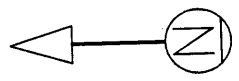
Dean C. Logan
Registrar-Recorder/County Clerk,
County of Los Angeles

By _____ Deputy _____

Fee _____

Exempt recording requested,
per CA Government Code §6103

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2012-1
OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS OM&M)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**



LEGEND

	Proposed Boundaries of Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay-Remedial Systems OM&M), Los Angeles County, California
7336-010-0nn	Assessor Parcel Number

Reference is hereby made to the Assessor maps of the County of Los Angeles for a description of the lines and dimensions of these parcels.

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay – Remedial Systems OM&M) ("CFD No. 2012-1") and collected each Fiscal Year commencing in Fiscal Year 2012-13, in an amount determined by the City Council of the City of Carson or its designee, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2012-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area expressed in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map or the land area calculated to the reasonable satisfaction of the CFD Administrator using the boundaries set forth on such map or plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California.

"Administrative Expenses" means the following actual or estimated costs directly related to the administration of CFD No. 2012-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of notifying and coordinating with the applicable property owner association, the Boulevards Nonprofit or responsible party for collecting delinquent Special Taxes to fund the maintenance or remediation requirements; the costs to the City, CFD No. 2012-1 or any designee thereof of complying with City or CFD No. 2012-1 disclosure requirements; the costs associated with preparing Special Tax disclosure statements or any State or local requirements related to the Special Tax or CFD No. 2012-2, if any, and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2012-1 or any designee thereof related to an appeal of the Special Tax; the authorized costs of the Boulevards Nonprofit under the Special Tax Agreement; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2012-1 for any other administrative purposes of CFD No. 2012-1, including attorney's fees and other costs related to enforcement of the Special Taxes pursuant to the laws of the State, including but not limited to foreclosure remedies if permitted by law.

"Assessor" means the Office of the Assessor of the County.



"Assessor's Parcel" means a lot or parcel to which an Assessor's parcel number is assigned as determined from an Assessor's Parcel Map or the applicable assessment roll.

"Assessor's Parcel Map" means an official map of the Assessor designating parcels by Assessor's parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Below Ground Parcel(s)" means any lot or parcel within CFD No. 2012-1, regardless of ownership, that is located below the surface of the earth. The Below Ground Parcel is known as Lot One of Tentative Tract Map No. 68888 approved by the City's Planning Commission on May 25, 2010, as amended from time-to-time or modified pursuant to a final tract map or precise site plan for such property.

"Boulevards Nonprofit" means a nonprofit corporation formed pursuant to the California Nonprofit Corporations Law to, among other things, assist with the monitoring and maintenance of remediated land and improvements constituting the project in CFD No. 2012-1, and any successor thereto.

"Certificate of Occupancy" means a certificate issued by the City that authorizes the actual occupancy of a residential and/or non-residential structure or facility.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2012-1" means Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay – Remedial Systems OM&M).

"City" means the City of Carson, California.

"Consumer Price Index" means, for each Fiscal Year, the annual percentage change in the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles-Riverside-Orange County Area, measured as of the month of January in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the Los Angeles-Riverside-Orange County Area.

"Council" means the City Council of the City.

"County" means the County of Los Angeles, California.

"Developed Property" means all Assessor's Parcels of Taxable Property for which a Certificate of Occupancy has been issued by the City on or before June 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Once an Assessor's Parcel has been designated as Developed Property, it will remain classified as Developed Property.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Hotel Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures constituting a place of lodging providing sleeping accommodations and related facilities for travelers.

"Land Use Class" means any of the classes listed in Table 1 below.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Non-Residential Leasable Area" means for Non-Residential Property the total of the leasable area within one or more non-residential structures or facilities. The determination of Non-Residential Leasable Area for an Assessor's Parcel shall be made by reference to the Certificate of Occupancy(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the Building and Safety Division of the Development Services Department, or other applicable City department, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures or facilities, excluding Hotel Property.

"Operations Center Parcel" means property within the boundaries of CFD No. 2012-1 owned by the Boulevards Nonprofit and utilized for the daily operations, maintenance & monitoring of the environmental remediation systems, including the landfill gas collection and treatment system, the groundwater containment and treatment systems, landfill cap monitoring, storm water monitoring and operation and maintenance of the building protection systems.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2012-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual

Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means property within the boundaries of CFD No. 2012-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to, the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment for CFD No. 2012-1.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more attached or detached residential dwelling units, including apartment units which are made available for rental, but not purchase by the general public.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2012-1 to fund the Special Tax Requirement.

"Special Tax Agreement" means an agreement to be entered into by the City and/or CFD No. 2012-1 and Carson Marketplace, LLC, and/or its successor, a California non-profit corporation to be formed with respect to the remediation lots, in order to provide funding for the operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 as authorized services of CFD No. 2012-1, and to confer upon the City full power to provide funding for such operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 solely from the proceeds of any Special Taxes authorized to be levied against Taxable Property within CFD No. 2012-1.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2012-1 to: (i) pay directly for pollution liability insurance policy payments pursuant to the Special Tax Agreement and/or other required insurance meeting the requirements of the Act; (ii) pay directly for the annual operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (iii) pay for other maintenance services as described in the Resolution of Intention to form CFD No. 2012-1; (iv) pay for additional future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems for and extraordinary costs related to the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (v) pay Administrative Expenses; (vi) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, as said levy of delinquencies may be limited by the Act; less (vii) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator.

"State" means the State of California.



"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2012-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2012-1 shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Residential Property shall be assigned to Land Use Class 1, Hotel Property shall be assigned to Land Use Class 2 and Non-Residential Property shall be assigned to Land Use Class 3.

C. MAXIMUM SPECIAL TAX

1. Developed Property

(a). Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

(b). Assigned Special Tax

The Assigned Special Tax that may be levied and escalated as explained further in Section C.1.(d) below in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1
Assigned Special Taxes for Developed Property in
Community Facilities District No. 2012-1

Land Use Class	Description	Fiscal Year 2012-13 Assigned Special Tax
1	Residential Property	\$1,000 per unit
2	Hotel Property	\$800 per hotel room
3	Non-Residential Property	\$0.75 per square foot of Non-

Land Use Class	Description	Fiscal Year 2012-13 Assigned Special Tax
		Residential Leasable Area

(c). Backup Special Tax

The Fiscal Year 2012-13 Backup Special Tax for an Assessor's Parcel of Developed Property shall equal \$16,560 per Acre.

(d). Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2013, the Assigned Special Tax and the Backup Special Tax shall be increased based on the percentage change in the Consumer Price Index; provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year.

(e). Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

2. **Undeveloped Property**

(a). Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax for an Assessor's Parcel of Undeveloped Property shall equal \$16,560 per Acre.

(b). Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2013, the Maximum Special Tax for Undeveloped Property shall be increased based on the percentage change in the Consumer Price Index provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amount in effect for the previous Fiscal Year.

D. **METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2012-13 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement and shall levy the Special Tax until the total

Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of residential property for which a Certificate of Occupancy has been issued for private residential use (in accordance with Section 53321 of the Act) be increased by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2012-1. To the extent that the levy of the Special Tax on residential property is limited by the provision in the previous sentence, the levy of the Special Tax on each Assessor's Parcel of non-residential property shall continue in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Tax shall be levied on Below Ground Parcels. Additionally, no Special Tax shall be levied on Public Property, Property Owner Association Property, or an Operations Center Parcel. However, should an Assessor's Parcel no longer be classified as Public Property, Property Owner Association Property or an Operations Center Parcel, it will, from that point forward and without the necessity of any action by the Council, be subject to the Special Tax hereunder.

F. APPEALS AND INTERPRETATIONS

Any landowner, lessee or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may file a written appeal with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator



deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant as appropriate. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner, lessee or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Council whose decision shall be final and binding as to all persons.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2012-1 may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, as permitted by the Act.

H. TERM OF SPECIAL TAX

The Council is authorized to levy the Special Tax in perpetuity to fund the Special Tax Requirement.

[http://localhost/resources/Clients/Carson/Mello/Boulevards/RMA/Carson CFD No. 2012-1 \(Boulevards\) RMA Draft 6 - Clean.docx](http://localhost/resources/Clients/Carson/Mello/Boulevards/RMA/Carson CFD No. 2012-1 (Boulevards) RMA Draft 6 - Clean.docx)



DEPOSIT AND REIMBURSEMENT AGREEMENT

by and between

CITY OF CARSON

and

CARSON MARKETPLACE, LLC

Dated as of September 1, 2006

**CITY OF CARSON
COMMUNITY FACILITIES DISTRICT NO. 2006-1
(Carson Marketplace)**

RECEIVED
CITY CLERK
SEP 11 8 - 10 2006
CITY OF CARSON

COPIES TO:
REGISTRATION

Council

City Admin

Planning

Other Dept



EXHIBIT NO.- 7

DEPOSIT AND REIMBURSEMENT AGREEMENT

THIS DEPOSIT AND REIMBURSEMENT AGREEMENT (this "**Deposit Agreement**") is made and entered into as of September 1, 2006, by and between the CITY OF CARSON (the "**City**") and CARSON MARKETPLACE, LLC (the "**Owner**"), with reference to the following facts:

- A. The Owner has petitioned the City to create a community facilities district to be designated "City of Carson Community Facilities District No. 2006-1 (Carson Marketplace)" (the "**Community Facilities District**") under the Mello-Roos Community Facilities Act of 1982 (the "**Act**");
- B. In accordance with the City's policy regarding use of the Act, the Owner is required to advance certain costs incurred by the City in connection with the formation of the Community Facilities District;
- C. Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district;
- D. Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all of the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 533521 of the Act and in the resolution of formation to establish the community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds;
- E. The City and the Owner desire to enter into this Deposit Agreement in accordance with Section 53314.9 of the Act in order to provide for the advancement of funds by the Owner to be used to pay costs incurred (subject to the limitation set forth herein) in connection with the formation of the Community Facilities District and the levy of special taxes thereby, and to provide for the reimbursement to the Owner of such funds advanced, without interest, from the proceeds of special taxes levied by the Community Facilities District; and
- F. The Owner acknowledges that the Owner alone is required to pay all costs incurred (subject to the limitation set forth herein) in connection with the formation of the Community Facilities District, and the City shall be entitled to reimbursement or advancement of funds for such purposes from the Owner alone, notwithstanding that there may be other property owners within the proposed Community Facilities District.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. The Deposits and Application Thereof.

(a) The Owner has previously deposited with the City the amount of \$50,000 (the "**Initial Deposit**"). The City, by its execution hereof, acknowledges receipt of, and accepts, the Initial Deposit.

(b) The Initial Deposit, together with any subsequent deposit required to be made by the Owner pursuant to the terms hereof (collectively, the "**Deposits**"), are to be used to pay for any costs incurred not to exceed an aggregate maximum of \$100,000 (the "**Aggregate Limit**") for any authorized purpose in connection with the formation of the Community Facilities District and the levy of special taxes thereby, including, without limitation, (a) the fees and expenses of any consultants to the City employed in connection with the formation of the Community Facilities District and the levy of special taxes thereby, including an engineer, special tax consultant, financial advisor, bond counsel and any other consultant deemed necessary or advisable by the City, (b) the costs of an appraisal, market absorption and feasibility studies and other reports deemed necessary or advisable by the City in connection with the formation of the Community Facilities District and the levy of special taxes thereby, (c) the costs of publication of notices, preparation and mailing of ballots and other costs related to any hearing, election or other action or proceeding undertaken in connection with the formation of the Community Facilities District and the levy of special taxes thereby, (d) reasonable charges for City staff time incurred in connection with the formation of the Community Facilities District and the levy of special taxes thereby, including a reasonable allocation of City overhead expense related thereto, provided that all such amounts under this clause (d), in the aggregate, as of any time shall not exceed five percent (5%) of all Initial Costs, in the aggregate, as of such time, and (e) any and all other actual costs and expenses incurred by the City in connection with the formation of the Community Facilities District and the levy of special taxes thereby (collectively, the "**Initial Costs**"). The City may draw upon the Deposits from time to time to pay Initial Costs in an amount not to exceed the Aggregate Limit. The City may not draw upon the Deposits to pay Initial Costs in excess of the Aggregate Limit without the prior written consent of the Owner, provided that if the Owner does not approve of any Initial Costs in excess of the Aggregate Limit, the City shall be under no obligation to incur any such Initial Costs in excess of the Aggregate Limit.

(c) If, at any time, the unexpended and unencumbered balance of the Deposits is less than \$10,000, the City may request, in writing, that the Owner make an additional deposit in an amount estimated to be sufficient, together with any such unexpended and unencumbered balance, to pay for all Initial Costs up to the Aggregate Limit. The Owner shall make such additional deposit with the City within two weeks of the receipt by the Owner of the City's written request therefor. If the Owner fails to make any such additional deposit within such two week period, the City may cease all work related to the formation of the Community Facilities District and the levy of special taxes thereby until any additional amounts requested by the City have been received by the City.

(d) The Deposits may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall at all times maintain records as to the expenditure of the Deposits.

(e) The City shall provide the Owner with a periodic summary of expenditures made from the Deposits, and the unexpended balance thereof, within ten business days of receipt by the City of a written request therefor submitted by the Owner. The cost of providing any such summary shall be charged to the Deposits.

Section 2. Return of Deposits; Reimbursement.

(a) If the qualified electors of the Community Facilities District do not approve the proposed special tax to be levied therein, the City shall have no obligation to repay the Owner any portion of the Deposits expended or encumbered to pay Initial Costs; provided, however, in accordance with Section 53314.9 of the Act, if the qualified electors of the Community Facilities District do not approve the proposed special tax to be levied therein, the City shall return to the Owner any portion of the Deposits which have not been expended or encumbered to pay Initial Costs by the time of the election on said proposed special tax.

(b) If proceedings for the formation of the Community Facilities District or the levy of special taxes thereby are terminated, the City shall, within ten business days after the adoption of the resolution stating the intent of the City to terminate proceedings under the Act to form the Community Facilities District, the City shall return the then unexpended and unencumbered portion of the Deposits to the Owner, without interest.

(c) If the Community Facilities District is formed, the City shall reimburse the Owner, without interest, for the portion of the Deposits that has been expended or encumbered, solely from the proceeds of special taxes levied by the Community Facilities District, in the time and manner contemplated by the rate and method of apportionment of special taxes and the resolution of formation of the Community Facilities District, and only to the extent otherwise permitted under the Act.

Section 3. Abandonment of Proceedings. The Owner acknowledges and agrees that the formation of the Community Facilities District shall be in the sole discretion of the City. No provision of this Deposit Agreement shall be construed as an agreement, promise or warranty of the City to form the Community Facilities District or of the Community Facilities District to levy special taxes. The City shall have no liability to the Owner for any decision not to form the Community Facilities District and neither the City nor the Community Facilities District shall have any liability to the Owner for any decision not to levy the special taxes.

Section 4. Deposit Agreement Not Debt or Liability of City. As provided in Section 53314.9(b) of the Act, this Deposit Agreement does not constitute a debt or liability of the City. The City shall not be obligated to advance any of its own funds to pay Initial Costs or any other costs incurred in connection with the formation of the Community Facilities District and the levy of special taxes thereby. No member of the City Council of the City and no officer, employee or agent of the City shall to any extent be personally liable hereunder.

Section 5. Indemnification and Hold Harmless. The Owner hereby agrees to assume the defense of, indemnify and hold harmless the City, and each of its members, officers, employees and agents, from and against all actions, claims or proceedings of every type and description to which they or any of them may be subjected or put, by reason of, or arising out of, the City's approval of, or the performance by either party of its obligations under, this Deposit Agreement. The City shall promptly notify the Owner of any such claim, action or proceeding, and the City shall cooperate in the defense thereof. The obligations of the Owner under this Section shall not apply to (a) any claims, actions or proceedings arising through the negligent acts or omissions or willful misconduct of the City, its members, officers or employees, or (b) any claims, actions or proceedings made more than one (1) year after the earliest to occur of (i) the formation of the Community Facilities District, (ii) any decision by the City not to form the Community Facilities District, and (iii) any termination of this Agreement.

Section 6. Reimbursement of Other Owner Costs. Nothing contained herein shall prohibit reimbursement of other costs and expenses of the Owner, or any other entity with an interest in all or any portion of the land in the Community Facilities District, incurred in connection with the Community Facilities District from the special taxes, including, but not limited to fees and expenses of the Owner's financial advisor, legal counsel to the Owner and special tax consultant expenses. Any such reimbursement shall be made solely from the special taxes and only to the extent otherwise permitted under the Act and otherwise provided for, at the reasonable discretion of the City, in the proceedings for the levy of the special taxes.

Section 7. Notices. All written notices to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

For Owner

Carson Marketplace LLC
c/o LNR Property Corporation
4350 Von Karman Avenue, Suite 200
Newport Beach, California 92660
Attention: Mr. Lang Cottrell

With a copy to:

LNR Property Corporation
4350 Von Karman Avenue
Suite 200
Newport Beach, CA 92660
Attention: J. Patrick Galvin, Esq., General Counsel

With a copy to:

Hopkins Real Estate Group
17461 Derian Avenue, Suite 106
Irvine, CA 92614
Attention: Mr. Dennis Reyling, Chief Operating Officer

With a copy to:

Brown, Winfield & Canzoneri, Incorporated
300 South Grand Avenue, Suite 1500
Los Angeles, California 90071-3125
Attention: Anthony Canzoneri, Esq.

or such other address as Owner may designate in writing to Agency.

For City

City of Carson
c/o Carson Redevelopment Agency
1 Civic Plaza Drive, Suite 200
Carson, California 90745
Attention: Mr. Ron Winkler, Agency Manager

With a copy to:

ALESHIRE & WYNDER, LLP
18881 Von Karman Avenue, Suite 400
Irvine, California 92612
Attn: Dawn C. Honeywell, Agency Counsel

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

Section 8. California Law. This Deposit Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 9. Severability. If any part of this Deposit Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Deposit Agreement shall be given effect to the fullest extent reasonably possible.

Section 10. Successors and Assigns. This Deposit Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

Section 11. Litigation. In the event that either party shall commence any legal action or proceeding to enforce or interpret this Deposit Agreement, the prevailing party in such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorney's fees. The venue for any litigation shall be Los Angeles County. In the event of any asserted ambiguity

in, or dispute regarding the interpretation of any matter herein, the interpretation of this Deposit Agreement shall not be resolved by any rules of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the drafting party.

Section 12. Conflict of Interest, Warranty, and Representation of Non-Collusion.

No official, officer, or employee of Agency or City has any financial interest, direct or indirect, in this Deposit Agreement, nor shall any official, officer, or employee of Agency or City participate in any decision relating to this Deposit Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute, ordinance or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or not an "interest" pursuant to California Government Code Sections 1091 through 1091.5. Owner warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, any Agency or City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Deposit Agreement other than customary expenses of attorneys, advisors, consultants and other similar third parties assisting Owner in the negotiation and documentation of this Deposit Agreement. Owner further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Agency or City official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement other than customary expenses of attorneys, advisors, consultants and other similar third parties assisting Owner in the negotiation and documentation of this Deposit Agreement. Owner is aware of and understands that any such act(s), omission(s) or other conduct in violation of applicable law resulting in the payment of money, consideration, or other thing of value will render this Deposit Agreement void and of no force or effect.

Section 13. Counterparts. This Deposit Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Deposit Agreement as of the date first written above.

CITY OF CARSON

By: _____

City Manager

Attest:

City Clerk

Approved as to form:

City Attorney

CARSON MARKETPLACE, LLC,
a Delaware limited liability company

By: LNR Carson, LLC, a Delaware
limited liability company, its
manager

By: LNR Carson Holdings, Inc., a
California corporation, its
manager

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____