

# LAMBERT DEVELOPMENT

**CITY OF NEWPORT BEACH**

**REQUEST FOR QUALIFICATIONS NO. 13-16**

**CITY HALL RE-USE PROJECT**



**Submitted by**

**LAMBERT DEVELOPMENT, LLC**

**17000 Ventura Boulevard, Suite 301**

**Encino, CA 91316**

**(818) 815-2244**

**November 20, 2012**



# LAMBERT DEVELOPMENT

November 20, 2012

Mr. Dave Kiff, City Manager  
City of Newport Beach  
3300 Newport Boulevard  
Newport Beach, CA 92660

Emailed to: [purchasing@newportbeachca.gov](mailto:purchasing@newportbeachca.gov)

Subject: City Hall Complex Re-Use Project  
Request for Qualifications No. 13-16

Gentlepersons:

Lambert Development, LLC, and its Development Team are pleased to respond to the City of Newport Beach Request for Qualifications for the above-subject project for the redevelopment and revitalization of the current Newport Beach City Hall site. Lambert Development, in California, has developed a number of landmark projects in California. Our response adheres to the format and the order provided in the RFQ.

## Participating Organizations

### Developer

Lambert Development is a major developer of residential and mixed-use development projects in urban areas. The Company has developed more than 900 residential apartment homes in the San Francisco, San Diego, and South Pasadena areas. These projects have included retail from shopkeeper, local serving retail, and restaurants, as well as a Whole Foods Market. Please see our projects and experience in Section 3.

### Architect

HKS Architects, Inc. is a global leader in professional design services, bringing value to clients through excellence in design and sensitivity to create places that enhances the human experience. HKS operates from 30 worldwide offices with 900 dedicated professionals. A subsidiary of HKS, Hill Glazier, has unique experience in coastal communities. The HKS Los Angeles office has designed, documented, and built more than 25 residential/mixed-use projects in California.

### General Contractor

Cannon Constructors is a full-service General Contractor with more than 30 years experience serving the greater Los Angeles and San Francisco areas with offices in Encino, Orange County, and San Francisco. We are specialists in creating new or renovated spaces for the business, financial, retail and residential communities. Such projects include offices, data processing facilities, restaurants, and thousands of residential units. Our skills are those of organization and leadership in project analysis, coordination, control, and execution. As the general contractor, we work closely with the owner/developer, municipalities, tenants, architects and designers, subcontractors, and suppliers to meet scheduling and budgetary goals without ever-compromising quality. Lambert Development is one of Cannon's major clients.



# LAMBERT DEVELOPMENT

## Architecture and Interior Programming

The Mark Company (TMC), founded in 1999, has a proven record for producing neighborhood-defining residential developments in the West Coast's urban cores. Its team of experts utilizes deep knowledge of today's market to educate its clients and allow them to identify and take advantage of opportunities quickly. TMC's goal-driven consulting services and marketing programs have been integral to the successful development, lease-up, and sell out of more than \$4 billion in real estate assets.

## Community Relations

A.C. Atherton – Ms. Atherton has an intimate knowledge of the Newport Beach community. She will be working with Lambert to determine the best uses, as well as the design for the site and the community. Our team's multi-disciplinary approach with open communications to design will lead to fresh innovative solutions through the incorporation of unique regional characteristics. Lambert tailors each of our projects for the community where it is located. For example in South Pasadena, the architectural style was designed to fit the craftsman context of the existing neighborhood.

## Consultants:

Civil Engineer: Fuscoe Engineering, Irvine  
Landscape Architect: Burton Landscape Architecture Studio  
Structural Engineer: KPF Engineering

## Working Relationships

The development team for this project is not a team that has been brought together just to work for this project. Our team has worked together for between 5 and 15 years, developing the confidence, respect, and experience to make this project successful. HKS was Lambert's architect for its most recent 150-units and Whole Foods Market in the Potrero area of San Francisco. Lambert and Cannon have partnered together to construct five major developments totaling approximately 850 apartment homes. Alan Mark has also marketed and contributed to the architectural program for each of these projects.

Lambert Development has a great deal of experience in public private development projects in challenging environments. Lambert was successful in winning two RFP's from Centre City Development, the successful Redevelopment Agency for Downtown San Diego. Both of these projects were successfully built and contributed to the revitalization of the Marina and Little Italy areas of San Diego. Lambert was also successful in winning and obtaining City Council approval of a 1.2-million-square-foot commercial project in the City of Santa Monica. The company also worked closely with the San Francisco Redevelopment Agency on the development of the historic Oriental Warehouse into residential use and on the Brannan residential development, which was the first for sale development in the South Beach revitalization. Lambert's South Pasadena transit related residential development included a public garage for the MTA.

Lambert Development, as the developer and owner of the project, will manage and be responsible to the City of Newport Beach for this project.

## Contact Person

Primary Contact: Henry Lambert, President  
Cell Phone: (917) 856-2511

Southern California Contact: Michael Gray, Senior Vice President  
Cell Phone: 310.701.2300



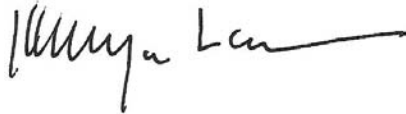
# LAMBERT DEVELOPMENT

## Proprietary Confidential Information

With the exception of the net worth of the principal investors, there is no proprietary confidential information, included in this submittal. Subsequent submission may include proprietary or confidential information.

In closing, we appreciate your consideration of our Response. We believe that the Development Team we have proposed represents the best talent available. Every proposal is an expression of the experience and talent of its Team. This Team has extensive experience working together. The only true basis upon which to predict the future is past performance. Because of our creativity, expertise, and experience, individually and collectively, we believe we will accomplish the ambitious goals of the City and the expectations of your citizens.

Respectfully submitted,



Henry A. Lambert  
President

HAL/lw



# LAMBERT DEVELOPMENT

## 2. Table of Contents

1. Transmittal Letter
2. Table of Contents
3. Qualifications, Related Experience, and References
  - Development Team Qualifications
  - Development Team Experience
  - Previous Projects that demonstrate qualifications
  - Experience with long-term Ground Lease projects
  - References
4. Financial Capability and Past Performance
  - Audited Financial Statement
  - Financial and Litigation Issues List and descriptions
5. Conceptual Development Approach
6. Conceptual Financing Approach
7. Appendices and Attachments
  - HKS Architects, Inc.
  - Cannon Constructors
  - The Mark Company
  - A.C. Atherton, Summit 7d
  - Financial Letter
  - List of Lambert Development Commercial Projects
8. Exceptions to Terms, Conditions, etc.
9. Proposer Information Form (Attachment A)
10. City of Newport Beach Disclosure Statements (Attachment B)



## 3. Qualifications, Related Experience, and References

### Development Team Qualifications

#### Lambert Development, LLC – Brief History

Lambert Development, LLC is a major developer of condominium projects in an urban context. Lambert Development, formed in 2001, is a limited liability corporation and a successor of Reliance Development Group where Henry Lambert was President and Michael Gray was a Vice President. In California, the Company has developed seven residential projects. In San Francisco, Lambert Development built the Brannan and Oriental Warehouse in the South Beach area as well as Potrero and Lansing developments. The Oriental Warehouse and The Brannan were developed in conjunction with the San Francisco Redevelopment Agency. In South Pasadena, Mission Meridian Village is a transit related mixed-use development, built utilizing New Urbanist principals. In San Diego, Lambert Development completed the Renaissance and Bella Via developments. For both of these projects, Lambert Development was selected as the developer through a competition organized by the Centre City Development Corporation (CCDC.)

#### *Private-Public Partnerships*

Lambert Development has significant experience working on projects that involve public private partnerships. For example, the property for the Renaissance in Downtown San Diego was conveyed to Lambert Development in November 2002 after the company was selected in a development competition by CCDC. The project was developed under a disposition and development agreement. CCDC also selected Lambert Development to develop Bella Via, which was completed in 2003.

The Mission Meridian Village project in South Pasadena is another example of Lambert Development's recent experience with public-private partnerships. This development is a mixed-use project consisting of residential, retail, and a combined public/private garage. The public portion of the garage consists of 142 parking spaces for the METRO Gold Line Station. Financing for the public garage was provided by METRO, Caltrans, and matching funds from the City of South Pasadena, as well as Lambert Development.

The Brannan in San Francisco was also developed as a public-private partnership. In exchange for redeveloping the historic Gold Rush period Oriental Warehouse, a brick, and timber commercial warehouse, into live work lofts, the San Francisco Redevelopment Agency conveyed a portion of the Brannan development site and additional height to Reliance Development Group/ Lambert Development.

#### Development Team Experience (Team Member experience located in Appendix)

#### *Key Executives for Lambert Development*

Henry A. Lambert

Henry A. Lambert, President, and previously Chief Executive Officer of Reliance Development Group, has extensive experience in real estate development and management spanning 40 years. After graduating from Bucknell University, he began his career with Webb & Knapp, the preeminent national real estate development company founded by William Zeckendorf. Prior to forming Reliance Development Group, Mr. Lambert served as Executive Vice President of Canal Randolph Corporation where he developed an impressive portfolio of office buildings throughout the United States. In Southern California, his experience includes developing over 2 million square feet of commercial space and 900 hotel rooms. Henry Lambert participates in all of Lambert Development's projects and will manage





# LAMBERT DEVELOPMENT

negotiations with the City of Newport Beach. Henry Lambert is the responsible partner with respect to making any financially binding commitments.

## Michael Gray

D. Michael Gray, Senior Vice President joined Reliance Development Group in 1985 as Vice President. Mr. Gray received a Master in Business Administration from the University of California, Los Angeles, and a Master in Real Estate Development from Massachusetts Institute of Technology. Mr. Gray was responsible for day-to-day management of the development process for the Oriental Warehouse and The Brannan in San Francisco, the Renaissance, and Bella Via in San Diego, and Mission Meridian Village in South Pasadena, California. Mr. Gray also was a partner in the Mission Meridian Station, Bella Via, and the Potrero projects.

## Kerry Berman

Mr. Berman joined Reliance Development in 1985, is a graduate of Queens College, City University of New York, and holds a real estate sales license in the state of New York. He has 30+ years of diversified accounting and financial experience and is currently Chief Financial Officer of Lambert Development. Mr. Berman's responsibilities include oversight of all of the accounting, budgeting, forecasting and financial analysis for all of the projects. Mr. Berman has acted as a liaison with various lending institutions. He is also responsible for managing a portfolio of triple net-leased properties, most of which are located in California that are held in a partnership that Mr. Lambert is affiliated with. Mr. Berman was also a partner in the 450 Rhode Island project.

## Previous Projects that Demonstrate Qualifications

### 01 | Mission Meridian Station, South Pasadena, CA

Mission Meridian Village is a mixed-use 67-unit condominium development located directly across from the South Pasadena Gold Line Station. The project incorporates live/work lofts utilizing a turn-of-the-century commercial vernacular style, traditional courtyard housing in the craftsman style and single-family townhomes that create a transition and buffer to the surrounding neighborhood.

The project is constructed on 72,750 square feet of land in the historic core area of this city. It serves as Mission Meridian Village both an anchor to the South Pasadena's main street and a link to the lower scale of the surrounding neighborhood. The site included two historic homes. To facilitate the development, these houses were relocated to nearby lots and redeveloped as affordable housing.

Mission Meridian Village was designed as a transit orientated development (TOD) to serve the South Pasadena Gold Line Station. The development includes 6,584 square feet of retail, 116,987 square feet of parking (309 spaces), and 67 condominiums totaling 88,960 residential square feet. The public parking component is completely hidden from the street by a retail facade. The development provides parking spaces for Gold Line commuters, replacement parking for the adjacent



# LAMBERT DEVELOPMENT

hospital, and parking for the retail and residential units.

Lambert Development was the majority and managing partner in the project and was responsible for equity, financing, and construction. The development was also financed with a construction loan from Wells Fargo Capital Markets Group, equity from the California Employees Pension Fund, and the minority joint venture partner, Creative Housing Associates.

## 02 | The Brannan & Oriental Warehouse

Situated in the vibrant South Beach area of San Francisco, California, The Brannan stands at the heart of the new city where technology meets culture. The convenient location of The Brannan introduced home ownership to an industrial area within walking distance of The San Francisco Museum of Modern Art, Yerba Buena Gardens, Pacific Bell Park, South Beach Harbor/Marina, The Embarcadero, and numerous gourmet restaurants.



Reliance Development (Henry Lambert was President and Michael Gray, Vice President); the precursor to Lambert Development assembled this site and entered into a development agreement with the San Francisco Redevelopment Agency in 1995. When the site was acquired, the area consisted of industrial buildings south of the Bay Bridge along the Embarcadero.

The first phase of the development was the reconstruction of the historic Oriental Warehouse into 66 live/work lofts. Upon completion of this award-winning project, three 17-story towers totaling 336-units were constructed on adjacent property. This project was the first condominium product in the South Beach Area and was successful despite the collapse of the dot.com industry. Subsequent to the commencement of this project, the decision was made to move the

Giants baseball stadium to a site three blocks from the Brannan.

The project was financed using the funds of Reliance Insurance, a subsidiary of the parent of Reliance Development. Lambert Development, the successor to Reliance Development, continued the development, constructed, and sold this project for Reliance Insurance.

## 03 | The Renaissance

This 22-story, twin-tower development in Downtown San Diego includes a total of 221 condominiums and townhomes, 12,000 square feet of retail space and approximately 360 parking spaces. The project is the consequence of the City's desire to revitalize San Diego's First Avenue as a "Garden Street Promenade," linking the waterfront to Horton Plaza Shopping Center. In response to an RFQ and developer competition, Reliance was selected by the Centre City Development Corporation (CCDC) to develop this premium site in the Marina Area of downtown San Diego.

The Renaissance parking garage has two subterranean levels and two partial levels above grade. Four levels of townhouses, lofts, and retail wrap the above-grade parking levels. A great deal of care was taken in





# LAMBERT DEVELOPMENT

designing the landscaping, pool area, and two grand stairways to connect the residential podium to the street and surrounding sidewalks. After selection by CCDC and execution of the development and design agreement, Lambert development commenced construction in December 2001. The development was financed with a \$63 million construction loan from the San Diego National Bank and \$45 million of equity from Lambert and Lehman Brothers.

Occupancy of the first tower commenced in March 2003, with occupancy of the second tower in September of 2003.

## 04| Bella Via

Located in the Little Italy Area of Downtown San Diego, Bella Via is a 42-unit six story residential condominium. The project was designed by Carrier Johnson and includes 4,000 square feet of retail, including a small restaurant site and shopkeepers units that were designed to be attached to the residential unit above. Little Italy is a former ethnic and fishing neighborhood that has been transformed into a vibrant restaurant, retail, and residential area of San Diego. This project was financed by a construction loan from Wells Fargo Bank and equity from CalPers.



## 05| The Lansing

The Lansing, an 82-unit eight-story luxury condominium developed on the Rincon Hill Area of San Francisco. There are 10 units designated as affordable units. The project was designed by SB Architects and financed by a construction loan from Corus Bank and Mezzanine Equity from Lehman Brothers.

## 06| The Potrero

Located at 450 Rhode Island on San Francisco's Potrero Hill is a 165-unit mixed-use condominium development. Included in the project is a 40,516 square foot Whole Foods Market. The project includes 20 units designated as affordable housing. The project, completed in 2009, was profitable in a very challenging real estate market where most developments have not been able to meet their financing obligations let alone earn a profit. The development was financed by a construction loan from Corus Bank and Mezzanine Equity from O'Connor North America Property Partners, L.P.



# LAMBERT DEVELOPMENT

## Experience with Long-term Ground Lease Projects

Lambert's Santa Monica Commercial project, which was approved by the Santa Monica City Council, was planned for land owned by the City adjacent to the City's Airport. The RFP and Approval included a long-term ground lease. These negotiations included renewal provisions, rent adjustments, and disposition when the lease reached its expiration with the buildings in place.

## References

### Lambert Development References

Ms. Katherine G. Skidmore, Vice President  
Capital Markets Group  
Wells Fargo Bank  
(310) 789-3758

Mr. Marc Castagnolia  
Community Development Manager  
City of Baldwin Park  
(626) 960-4011 x477

[Former Assistant City Manager, *City of South Pasadena*]

HKS Architects, Inc.

Mr. Seth Bland, Partner  
Wilson Meany  
4 Embarcadero Center  
San Francisco, CA 94111  
(415) 905-5300

Mr. Tim O'Brien, Senior Managing Director  
Legacy Partners Residential  
5141 California Avenue, Suite 100  
Irvine, CA 92617-3050  
(949) 930-7700

Cannon Constructors

Rick Holliday, Principal  
Holliday Development  
1201 Pine Street, Suite 151  
Oakland, CA 94607  
(510) 547-2122, Ext. 101  
[rick@hollidaydevelopment.com](mailto:rick@hollidaydevelopment.com)

Walter Schmidt, CFO  
Trinity Properties  
1145 Market Street, Suite 1200  
San Francisco, CA 94103  
(415) 864-1111  
[wschmidt@trinitymanagement.com](mailto:wschmidt@trinitymanagement.com)



# LAMBERT DEVELOPMENT

A.C. Atherton, AIA – Summit d7

Ms. Coralee Newman, Principal  
Government Solutions, Inc.  
881 Dover Drive, Suite 285  
Newport Beach, CA 92663  
(949) 717-7943

Mr. Frank Martinez, Executive Vice President  
Griffin Holdings, Incorporated  
Griffin Structures, Incorporated  
385 Second Street  
Laguna Beach, CA 92651  
(949) 497-9000

The Mark Company

Mr. Carl Shannon  
Managing Director  
Tishman Speyer  
(415) 344-6630  
[cshannon@tishmanspeyer.com](mailto:cshannon@tishmanspeyer.com)

Mr. Devang Shah  
Vice President  
CityView  
(310) 566-8762  
[dshah@cityview.com](mailto:dshah@cityview.com)



# LAMBERT DEVELOPMENT

## 4. Financial Capability and Past Performance

- Financial Statement (Sent via UPS Overnight addressed to City Manager and marked “Confidential”)

### Financial Capability

Lambert Development has the financial strength within its investment group to provide the necessary equity for his project. Together the net worth of Henry and Ben Lambert is in excess of \$150 million. Ben Lambert is not involved in the management of Lambert’s development projects and is the Chairman of Eastdil, one of the nation’s largest sources of marketing and real estate financing. Wells Fargo owns Eastdil. Henry has provided his financial statement but Ben Lambert does not release person financial statements. Additionally, the appendix includes letters from their personal accountants confirming their financial strength.

### Litigation

Lambert has never defaulted on any financial commitment, nor has any outside partner, or any financial institution ever foreclosed or lost money in any Lambert development. We have had a small number of claims for construction related defects that we addressed timely, corrected, and settled without litigation. There is no outstanding or pending litigation.



## 5. Conceptual Development Approach

Lambert has 20 years of development experience in residential apartment homes. We are proposing a residential development for this site. We would like to discuss with the City whether the City's best interest is served with a rental or a condominium development. While Lambert has experience with hotels, we believe that in the current economic and financial climate, it would be very difficult to finance a hotel. It is not often that a City has such a magnificent site and opportunity with for a catalytic project. We propose to build approximately 99 units as stated in the RFQ with associated retail, which could be designed as shopkeeper units owned by residents, neighbor serving retail, and restaurants. Lambert, HKS, and A.C. Atherton plan to reach out to the community regarding the existing context, the architectural style, and the development program. We intend to include special landscaped public spaces designed by Burton Landscape Architecture Studio.





## 6. Conceptual Financing Approach

We estimate that the City Hall project will have a total development cost of approximately \$35 million. Lambert proposes to finance this project, as it has on previous projects, with a conventional construction loan of approximately \$21 million (60%) and equity of approximately \$14 million. An investor group that will include Henry Lambert and his brother Ben Lambert will commit the equity. Cannon Constructors and Alan Mark wish invest with Lambert in this project. The Lambert's and this investor group have the resources to provide the necessary equity for this project. The investor group will also likely include other equity sources. Lambert also has outstanding banking and equity relationships. Well Fargo Bank, Corus Bank, and San Diego National Bank have provided construction financing in the California developments. Equity Investors have included Wells Fargo, CalPers, O'Connor, and Lehman Brothers.



## 7. Appendices and Attachments

The Reader will please find subconsultant company information on the following pages. In addition, included in this section is a financial letter for Benjamin Lambert, and a list of Lambert Development commercial building projects.



## HKS PROFILE

### Introduction

Architecture reflects our time and culture as well as shapes it. It is our essential humanity that moves us to do good, creating places that facilitate activity and bring joy to the human spirit. HKS is creating places that enhance the human experience through innovation, creativity and vision. We design settings to live, learn, heal, work and play.

We are one. We believe that the value of talent, experience and knowledge is multiplied when shared. HKS is a worldwide network of professionals, strategically located and working seamlessly as one firm. We put together the best teams from around the globe to deliver exceptional value to our clients. Our individual expertise includes design, research and management.

Our vision is to be a global leader in professional design services, bringing value to clients through innovation while being committed to excellence, sustainability and sound business principles.

### Organization

HKS operates from 30 worldwide offices. Our project experience includes corporate headquarters, office buildings, healthcare facilities, sports facilities, hotels and resorts, banks, government and aviation facilities, religious, public buildings, multi-family housing, educational facilities, science and technology, retail and industrial projects located in 1,178 cities throughout 77 countries.

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***HKS operates from 30 worldwide offices with projects located in 1,178 cities throughout 77 countries.***

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### Leadership

A four-person executive committee including H. Ralph Hawkins, FAIA, FACHA, LEED AP, chairman and chief executive officer; Nunzio M. DeSantis, FAIA, LEED AP, executive vice president; Craig Beale, FAIA, FACHA, FACHE, LEED AP, executive vice president; and Dan H. Noble, FAIA, FACHA, LEED AP, executive vice president manages the firm. These individuals are committed to creativity, continued learning, client satisfaction and the ability to invite diversification and change into our firm. HKS is constantly striving to provide the best services, further the industry and support the community.



We are one. We believe that the value of talent, experience and knowledge is multiplied when shared. HKS is a worldwide network of professionals, strategically located and working seamlessly as one firm. We put together the best teams from around the globe to deliver exceptional value to our clients.

## Practice

The firm employs more than 900 dedicated and experienced professionals with specialty experience as well as building-technology savvy. Integrating our in-house R&D teams, we grow your interests through in-depth, knowledge-based practices.

Our design process begins with active listening and open dialogue between you and the design team. As this process unfolds, we identify your overall needs and interpret them into a design response that establishes the building as an inspiring and integral part of the business at hand. We realize the relationship between the built and natural environments is unique to each situation. We offer a collaborative, integrated project delivery model that is focused on sustainability, value and quality.

Project management, honed through decades of experience, is our strong suit. Our project management process includes design-quality management reviews and consultant coordination, budget management, monthly reporting, design scheduling and design-fee cash flow forecasting and trending. Our technical expertise and construction administration background contribute to streamlined, on-time, within-budget projects that create memorable experiences.

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*Named “one of the best managed architectural firms in America” according to Architectural Record.*

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## U.S. OFFICE LOCATIONS

### Dallas - Corporate Headquarters

Atlanta

Chicago

Denver

Detroit

Fort Myers

Fort Worth

Indianapolis

Las Vegas

Los Angeles

Miami

Nashville



HKS has demonstrated capacity for innovative design solutions by receiving 420 awards for projects.

New York City (HKS Architect, P.C.)  
Orange County  
Orlando  
Palo Alto  
Phoenix  
Richmond  
Salt Lake City  
San Diego  
San Francisco  
Tampa  
Washington, D.C. (HKS, P.C.)

## OTHER GLOBAL OFFICE LOCATIONS

Abu Dhabi  
Chennai (HKS India Design Consulting Pvt. Ltd.)  
London (HKS Architects Limited)  
Mexico City (HKS Arquitectos S. de R.L. de C.V.)  
New Delhi (HKS India Design Consulting Pvt. Ltd.)  
Sao Paulo (HKS Brasil Consultoria Ltda.)  
Shanghai (HKS 国际建筑设计公司)

## DISCIPLINES OFFERED

Architectural Services, Planning and Development, Programming, Space Planning, Project Management, Sustainable Design, Urban Design Structural Engineering, Interior Design, Graphic Design, Branding, Clinical Research, Laboratory Planning, Medical Technology Planning, Multimedia Production and Model Services.

## PROJECT TYPES

Aviation - Program Management, Terminal Design, Parking Garage Design  
Corporate/Office - Office, Corporate, Data Processing, Retail, Residential  
Educational - Primary, Secondary, University  
Government - Civic, Justice, Institutional  
Healthcare - Hospital, Ambulatory Care, Research, Extended Care  
Hospitality - Hotel, Resort, Spa, Casino, Country Club  
Science & Technology - Research, Biotechnology, Pharmaceutical  
Sports/Entertainment - Stadium, Arena, Performing Arts, Theme Park





## HKS LOS ANGELES

With a staff of 45 in Los Angeles - 17 of them licensed architects and 18 LEED Accredited Professionals, HKS is the most qualified firm to execute a mixed-use project. We understand design, strategic planning, programmatic efficiency, sustainability and cost drivers for large scale developments. Our projects not only succeed on all these levels, but also delight and inspire those who work, live or play in the spaces we design. We call it “Creating places that enhance the human experience.” That is what great architecture can do – and it is where we excel.

The HKS Los Angeles office has designed, documented and built over 25 residential/mixed-use projects in California during the last 20 years, including Los Angeles projects W Hollywood, 1600 Vine and The Century. When it comes to high-rise executive architecture, there is no more qualified firm.

Below is a select list of our residential mixed-use projects.

Project	Location	# Stories	Complete	Description
45 Lansing	San Francisco	39	2014	High-rise residential
Mission Bay Block 13W	San Francisco	16	2014	For-lease apartments
Arc Light Company	San Francisco	6	2012	LEED Gold; Mixed-Use/Residential
Potrero Launch Apartments	San Francisco	7	2012	LEED Gold; Mixed-Use/Residential
1600 Vine	Los Angeles	13	2010	Mixed-Use/Residential
W Hollywood Hotel and Residences	Los Angeles	14	2010	LEED; Mixed-Use (hotel, retail, res.)
The Century	Century City	42	2009	LEED Silver; High-rise residential
Montage Beverly Hills	Beverly Hills	8	2008	LEED Gold; Mixed-Use (hotel, retail, res.)
The 88	San Jose	22	2008	Mixed-use (retail, res.)
The Metropolitan	San Francisco	27	2004	Mixed-use (retail, office, res.)
The Beacon	San Francisco	16	2002	4 towers, 2 blocks, 1.25 million sf; Mixed-use (retail, office, residential)

# LAMBERT DEVELOPMENT

Cannon Constructors | Cannon Constructors, Inc. was founded in 1978. Operations were expanded into San Francisco and Orange County in 1995 and 1999 respectively. The managing principals, Larry Pace, Michael Adler, John Locascio and Michael Stieger, maintain a steadfast culture of commitment to our clients, a dedication to quality and service, and an acute awareness of our fiduciary responsibility that is a part of our consultant partnerships. More than ninety percent of Cannon's projects are a result of client, architect, and designer referrals. Our clients represent a broad spectrum of businesses: developers, property owners and managers, entrepreneurs, tenants, retail operators, hospitality, restaurants and technology firms.

Serving clients throughout California for more than 30 years, we have taken great care during the course of our development to maintain a balanced, experienced, and motivated staff in all areas of commercial construction, in addition to developing expertise in emerging construction techniques. Cannon is committed to the founding philosophy of the company, to discover what our client needs and wants, then to deliver it reliably, consistently, at the highest quality for a fair price.

We concentrate our general contracting expertise in four specific areas: Multi-Family Residential, interior development, new construction, and medical. The dollar value of our projects generally ranges from \$1,000,000 to \$100,000,000, with our annual gross sales in excess of \$100,000,000.

With each project, Cannon provides clients with a group of disciplined managers and staff who perform as a cohesive team, solving problems and concluding transactions in an expeditious and cost effective manner. Though the company is organized on a departmental basis, employees are encouraged to collaborate with each other across departmental lines so that the appropriate expertise can be utilized and developed, ensuring that each project is the best it can be.

Quality, not quantity, is Cannon's objective. Because the principals of the company are personally involved in every project from inception to completion, Cannon Constructors, Inc. is well positioned to deliver the absolute best pre-construction and construction management services our clients require. Cannon's dedication to principal involvement, coupled with our excellent employees, provides the project with the management capability that assures a project will stay on schedule, within budget, and superbly executed.

Cannon Constructors has remained in continuous operation since our inception. We have a twenty-five year relationship with Pacific Western Bank and established Bonding capabilities. We are managed in accordance with the highest principles of quality, reliability, safety, and responsiveness to our clients.



*450 Rhode Island: Cannon/Lambert*



# LAMBERT DEVELOPMENT



*The Brannan: Cannon/Lambert*



*Emeryville Warehouse: Cannon*



*Ironhorse Lofts: Cannon*

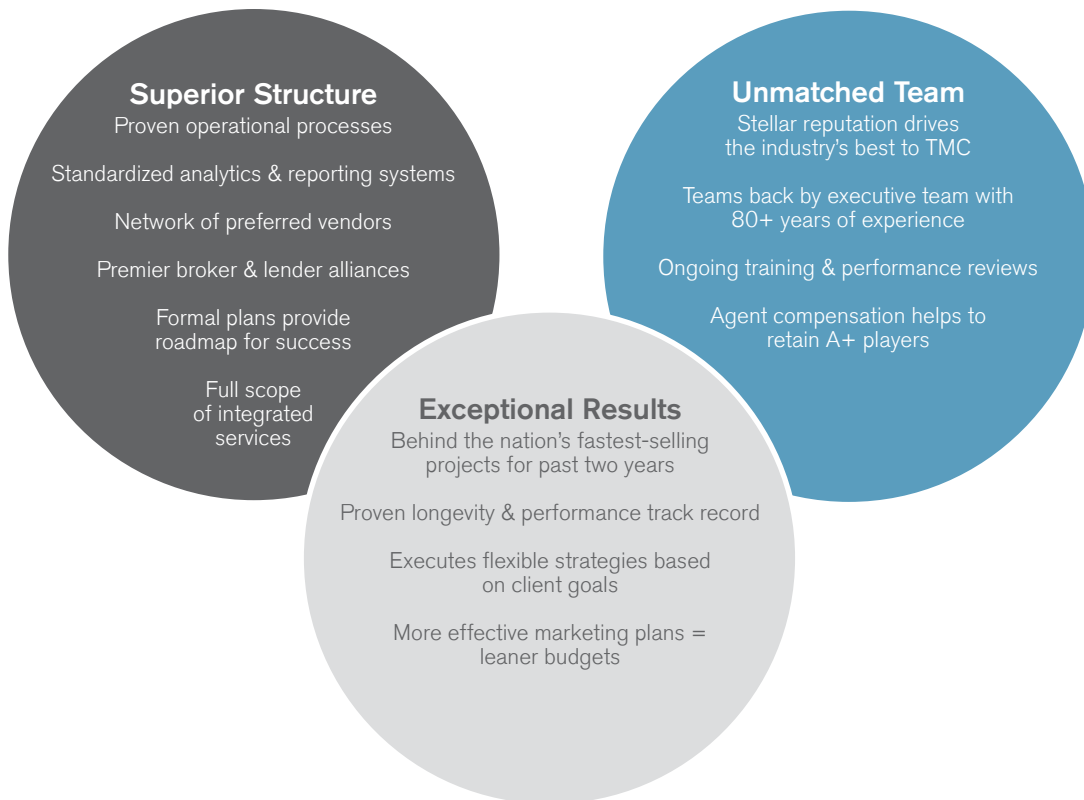
**The Mark Company** is widely recognized as one of the nation's premier real estate sales and marketing firms. Headquartered in San Francisco with projects operating throughout the Western United States, The Mark Company (TMC) offers a proven approach to the planning, marketing and sales of mid- to high-density homes. Our diverse portfolio includes over 40 projects that range from luxury high-rises in urban locations to entry-level and mid-market properties in suburban mixed-use settings. We offer a comprehensive scope of services that encompasses **market research, product design, marketing planning** and **sales strategy**, allowing for an integrated approach backed by proven processes and executed by the best teams in the business.

### A Second Wind

The Mark Company's unmatched ability to excel in today's challenging market conditions has led to the takeover of nearly 20 underperforming properties. Our market-driven strategies work to bring projects to life, driving revenue streams and mitigating financial losses for owners in an accelerated timeframe.

### Key Differentiators

We believe that three key characteristics differentiate TMC from the competition: **Superior Structure**, **Unmatched Team** and **Exceptional Results**. Working with TMC means access to established broker relationships, top-notch research and unmatched experience.





## Full-Service Solution

The Mark Company delivers up to date market data paired with over a decade of real world experience. Our extensive scope of services allow our clients to focus on the decisions that need to be made.

### Market Research

- Identify current & future market comparables
- Determine pricing premiums
- Provide preliminary pricing by unit type
- Deliver unit-to-unit pricing model
- Generate Homebuyer Profile Reports
- Maintain detailed pipeline reports per market
- Produce Standard Monthly Research Reports
- Generate quarterly On The Market reports
- Custom Market Reports
- Project Assessment Reports

### Marketing Strategy & Outreach

- Define target audience, positioning & messaging
- Develop & maintain Sales & Marketing Plan
- Develop, monitor & reconcile Marketing Budget
- Identify project name & logo
- Identify and evaluate brand layering opportunities
- Develop and execute outreach endeavors
- Advise on Sales Center & Model Home programming
- Oversee design and production of all creative tools
- Recommend and manage all project vendors
- Facilitate and manage direct mail & email campaigns
- Execute and track broker/buyer outreach programs
- Conceptualize and coordinate onsite events

### Design Development

- Advise on optimal product type
- Provide feedback to unit mix, sizes and locations
- Help to determine optimal amenity package
- Provide recommendations to unit floor plan layouts
- Provide input on common area & unit finishes
- Provide input on construction phasing
- Deliver parking strategies
- Advise on retail tenants

### Sales Management & Operations

- Identify, hire, train and manage onsite sales team
- Deliver sales strategies in line with client goals
- Help to coordinate Fannie Mae & FHA approvals processes
- Recommend and monitor phasing for balanced sell out
- Provide ongoing recommendations to pricing & releases
- Develop incentive programs
- Institute lead management schedule and best practices
- Conduct frequent professional shops of sales teams
- Deliver and analyze reports tracking traffic and sales
- Outreach to prospects and brokers daily
- Develop sales messages and scripts
- Provide input into contract and reading documents
- Manage project database

## In Good Company

The Mark Company is a trusted partner to the nation's leading residential developers and financial institutions. Below is a sampling of our extensive list of clients:

[ST Residential](#) | [Bosa Development Corporation](#) | [The Kor Group](#) | [Tishman Speyer](#)  
[Westport Capital Partners](#) | [Thompson Dorfman Partners](#) | [iStar Financial](#) | [New Urban Properties](#)  
[CityView](#) | [The Nichols Partnership](#) | [Intracorp](#) | [Pacifica Companies](#) | [JMA Ventures, LLC](#)

## Core Markets

The Mark Company has nationwide capabilities backed by the operational strength to hit the ground running in any market.

### Northern California

San Francisco | Peninsula | South Bay  
North Bay | Sacramento | East Bay  
Oakland | Emeryville

### Southern California

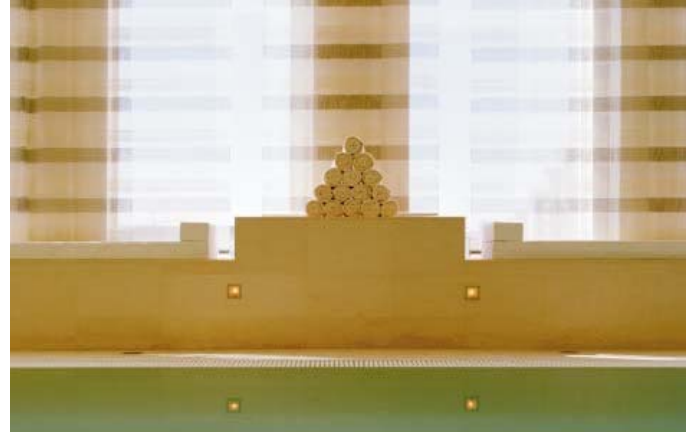
Los Angeles | San Diego  
Orange County

### Outside California

Las Vegas | Denver | Reno  
Portland | Seattle



# PORTFOLIO



## PRESENT

**Bridgewater**, Emeryville, 110 units  
**Evo**, Los Angeles, 311 units\*  
**One Hawthorne**, San Francisco, 165 units  
**Madrone**, San Francisco, 329 units  
**The Martin**, Las Vegas, 300 units\*  
**The Montage**, Reno, 304 units\*  
**Spire**, Denver, 339 units\*

## PAST

**170 Off Third**, San Francisco, 198 units  
**200 Brannan**, San Francisco, 191 units  
**464 Prospect**, La Jolla, 11 units\*  
**555YVR**, Walnut Creek, 60 units\*  
**733 Front**, San Francisco, 69 units  
**Altura Villas**, Folsom, 164 units\*  
**Arterra**, San Francisco, 269 units  
**Azure**, Petaluma, 147 units  
**Barker Block**, Los Angeles, 242 units  
**Bayside**, San Diego, 232 units  
**Blu**, Long Beach, 82 units\*  
**Crestview at Canyon Lakes**, San Ramon, 188 units\*  
**Crossroads**, Milpitas, 200 units\*  
**Emeryville Warehouse**, Emeryville, 140 units  
**Fairmont Heritage Place, Ghirardelli Square**, San Francisco, 349 fractional shares\*  
**Luma**, Los Angeles, 43 units\*  
**Magnolia Row**, Oakland, 36 units  
**Market Square I & II**, Oakland, 192 units  
**Mercer**, Walnut Creek, 181 units  
**Miraval**, Santa Clara, 264 units  
**Montebello**, Cupertino, 155 units  
**Monte Merano**, Fremont, 226 units  
**One East**, San Jose, 43 units

## FUTURE

**300 Ivy Street**, San Francisco  
**8Octavia**, San Francisco  
**WaveHouse**, San Francisco  
**Hayes450**, San Francisco

**Phoenix Lofts**, Oakland, 29 units  
**Portfolio at Santana Row**, San Jose, 219 units  
**Sierra Crest**, San Jose, 332 units\*  
**St. Regis Residences**, San Francisco, 102 units  
**Tavira House**, Toluca Lake, 45 units  
**The Beacon**, San Francisco, 595 units  
**The Brannan**, San Francisco, 336 units  
**The Esplanade**, Fremont, 46 units  
**The Hayes**, San Francisco, 128 units  
**The Infinity**, San Francisco, 650 units  
**The Lansing**, San Francisco, 82 units  
**The Marquee**, San Francisco, 53 units  
**The Montgomery**, San Francisco, 107 units\*  
**The Potrero**, San Francisco, 165 units  
**The Ritz-Carlton Residences at L.A. LIVE**, Los Angeles, 224 units  
**The Royal**, San Francisco, 20 units\*  
**The Sierra at Jack London Square**, Oakland, 229 units  
**The Sonora**, San Jose, 315 units  
**The Residences at Adobe Hills**, Fremont, 167 units  
**Towers at Embarcadero South**, San Francisco, 95 units\*  
**Three Sixty Residences**, San Jose, 213 units  
**Watermark**, San Francisco, 136 units  
**WestEnd**, Marina del Rey, 119 units

\* Denotes project taken over from another sales and marketing firm. Number of units equal to number remaining upon TMC's takeover.



Summit 7d is an Architectural, Planning, and Design Management company specializing in pre-development services, including due diligence, ADA property assessment, project and design management, entitlement processing and government relations. The staff at Summit can manage all aspects of the project planning and entitlement process including assembling the consultant team to prepare a project concept, site plan design, technical reports, and act as owner's representative as liaison with agency staff, appointed and elected officials; including orchestrate the necessary community presentations and meetings with neighborhood stakeholders.

The founding Principal A.C. Atherton, AIA has more than 20 years of experience in California, specifically California coastal projects from San Diego to San Francisco. Summit's experience involved numerous successful built development projects within California waterfront cities and all within the jurisdictions of California Coastal Commission. We understand that coastal city projects have unique challenges, and our staff of architects and planners is very aware and familiar with these coastal zones especially with City of Newport Beach development criteria and by understanding the parameters of Coastal Act compliance in early design stage, we can provide the key to successful project while managing costs to achieve optimal outcome.

Our staff experience with California coastal projects includes:

- Newport Beach Marriott Hotel & Spa
- Estancia La Jolla Hotel & Spa – La Jolla
- Newport Beach Country Club
- Balboa Bay Club & Marina
- Balboa Bay Club Resort Hotel
- Terrace Apartments Newport Beach
- San Diego Marriott Hotel & Marina
- Pacific City Discovery Center - Huntington Beach
- Pacific City Multi-Family Residential Phase I – Huntington Beach
- W-Hotel Huntington Beach
- W-Residence Huntington Beach
- South San Francisco Hilton
- Bolsa Chica Conservancy – Huntington Beach
- St. Regis Monarch Beach Resort & Spa – Dana Point
- The Residences @ Monarch Beach – Dana Point
- The Monarch Bay Club – Dana Point



**CITRIN COOPERMAN**

Attest & Assurance | Tax Compliance & Research | Specialty & Consulting

November 15, 2012

**VIA ELECTRONIC MAIL**

City of Newport Beach  
3300 Newport Boulevard  
Newport Beach, CA 92663

**Re: Benjamin V. Lambert**

Dear Sir or Madam:

We are the accountants and business managers for Benjamin V. Lambert. Mr. Lambert's net worth is in excess of \$125,000,000. He has handled all of his financial obligations in the most responsible and timely fashion.

Please feel free to contact me with any questions.

Sincerely,

Arnie Herrmann, CPA

AH/dm

Commercial Office Developments  
By: Henry Lambert

	Building Name	Location	Square Feet	Project Cost	PSF
1	Amoco Building	Denver, CO	651,300	\$ 55,000,000	\$ 84
2	1000 Wilshire Boulevard Building	Los Angeles, CA	451,421	\$ 110,000,000	\$ 244
3	505 North Brand Building (Cigna Health Plan Building)	Glendale, CA	311,700	\$ 68,000,000	\$ 218
4	525 North Brand (IHOP Building)	Glendale, CA	50,000	\$ 7,800,000	\$ 156
5	Bank of America Building (1)	Aneheim, CA	118,000	\$ 18,880,000	\$ 160
6	275 South Lake Building	Pasadena, CA			
7	Union Bank Square Building (1)	Orange, CA	157,000	\$ 15,700,000	\$ 100
8	Norwest Tower	Tucson, AZ	230,000	\$ 40,000,000	\$ 174
9	United Pacific Insurance Company Building	Federal Way, WA	120,000	\$ 18,000,000	\$ 150
10	General Casualty Ins. Co. Building	Sun Prairie, WI	243,000	\$ 40,095,000	\$ 165
11	Eight Penn Center Office Building	Philadelphia, PA	233,000	\$ 29,125,000	\$ 125
12	First Alabama Bank Building	Birmingham, AL			
13	Broadway Bank Building	Paterson, NJ			

# LAMBERT DEVELOPMENT

## 8. Exceptions to Terms, Conditions, etc.

Lambert Development has no exceptions to the terms or conditions as stated in the RFQ.





# LAMBERT DEVELOPMENT

## 9. Proposer Information Form (Attachment A)

Please find completed and signed Attachment A for Lambert Development, following this page. We have included our Lambert Development LLC, Limited Liability Company Agreement, and our Certificate of Formation and Certificate of Good Standing.



# ATTACHMENT A: PROPOSER INFORMATION FORM

*Instructions: Complete the form below and remit as part of your Proposal as Attachment A.*

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## PROPOSER INFORMATION

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PROPOSER/CONSULTANT/ NAME: \_\_\_\_\_

ADDRESS FOR NOTICES: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MAIN CONTACT (NAME AND TITLE): \_\_\_\_\_

CONTACT NUMBERS: TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

---

## FIRM SIGNATURE AUTHORIZATION AND CERTIFICATION

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Per the California Corporate Code, Business and Professions Code, the Consultant's Bylaws/Operating Agreement and/or the attached Board Resolution (if applicable), I/we hereby verify that I/we am/are (an) authorized signatory(ies) for the aforementioned Consultant and as such am/are authorized to sign and bind the Consultant in contract with the City of Newport Beach.

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### 1. CONSULTANT AUTHORIZED SIGNATORY(IES):

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SIGNATURE	PRINT NAME	TITLE	DATE
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SIGNATURE	PRINT NAME	TITLE	DATE
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### 2. SIGNATURE AUTHORIZATION IS PROVIDED IN ACCORDANCE WITH:

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Proposer's Bylaws/ Operating Agreement Section \_\_\_\_\_  Copy Attached

Board Resolution  Copy Attached

Corporate or Business and Professions Code\*\*

\*\*If Consultant is a corporation, two (2) authorized signatories will be required on all documents submitted, unless specified in the organization's Bylaws or corporate resolution.

**IMPORTANT NOTE:** If the signature authorization status of any individual changes during the term of the contract, it is the responsibility of the Consultant to contact the City Administrator for the Consultant regarding the change and to complete and submit a new Signature Authorization Form. Incorrect information on file may delay the processing of any of the documents submitted.

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
LAMBERT DEVELOPMENT LLC

LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement.") of Lambert Development LLC, is entered into as of the \_\_\_\_ day of July, 2000, by Henry A. Lambert as the sole member of the limited liability company (the "Member").

The Member hereby ratifies the formation of a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.), as amended from time to time (the "Act"), and hereby agrees as follows:

1. Name. The name of the limited liability company whose formation is ratified hereby is Lambert Development LLC (the "Company").

2. Purpose. The Company has been formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.

3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

5. Powers of the Company.

(i) The Company shall have the power and authority to take any and all actions necessary, appropriate, advisable, convenient or incidental to or for the furtherance of the purpose set forth in Section 2, including, but not limited to, the power:

(a) to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Act in any state, territory, district or possession of the United States, or in any foreign country that may be necessary, convenient or incidental to the accomplishment of the purpose of the Company;

(b) to acquire, by purchase, lease, contribution of property or otherwise, and to own, hold, operate, maintain, finance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of, any real or personal property that may be necessary, convenient or incidental to the accomplishment of the purpose of the Company;

- (c) to enter into, perform and carry out contracts of any kind, including, without limitation, contracts with the Member or any person or other entity that directly or indirectly controls, is controlled by, or is under common control with the Member (any such person or entity, an "Affiliate"), or any agent of the Company necessary to, in connection with, convenient to, or incidental to, the accomplishment of the purpose of the Company. For purposes of the definition of Affiliate, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or otherwise;
- (d) to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships (including, without limitation, the power to be admitted as a partner thereof and to exercise the rights and perform the duties created thereby), trusts, limited liability companies (including, without limitation, the power to be admitted as a member or appointed as a manager thereof and to exercise the rights and perform the duties created thereby), and other entities or individuals, or direct or indirect obligations of the United States or any foreign country or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;
- (e) to lend money for any proper purpose, to invest and reinvest its funds, and to take and hold real and personal property for the payment of funds so loaned or invested;
- (f) to sue and be sued, complain and defend and participate in administrative or other proceedings, in its name;
- (g) to appoint employees and agents of the Company, and define their duties and fix their compensation;
- (h) to indemnify any person or entity and to obtain any and all types of insurance;
- (i) to cease its activities and cancel its insurance;
- (j) to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, acknowledge or take any other action with respect to any lease, contract or security agreement in respect of any assets of the Company;



- (k) to borrow money and issue evidences of indebtedness, and to secure the same by a mortgage, pledge or other lien on any or all of the assets of the Company;
- (l) to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities; and
- (m) to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

(ii) The Company may merge with, or consolidate into, another Delaware limited liability company or other business entity (as defined in Section 18-209(a) of the Act) upon the approval of the Member, in its sole discretion.

6. Member. The name and the business and mailing address of the member of the Company is as follows:

Name: Henry A. Lambert	Address: 171 East 80 <sup>th</sup> Street New York, NY 10021
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7. Powers of Member. The Member shall have the power to exercise any and all rights and powers granted to the Member pursuant to the express terms of this Agreement. Except as otherwise specifically provided by this Agreement or required by the Act, the Manager (as hereinafter defined) shall have the power to act for and on behalf of, and to bind, the Company. The actions of Sharon L. Friedland, as an authorized person within the meaning of the Act, in executing, delivering and filing on July 24, 2000, the certificate of formation of the Company are hereby approved and ratified. Sharon L. Friedland is hereby designated, as authorized persons within the meaning of the Act, to execute, deliver and file any amendments and/or restatements of the certificate of formation of the Company and any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

8. Management.

8.1 Management of the Company.

(i) Henry A. Lambert shall be the manager of the Company (the "Manager") and, in such capacity, shall manage the Company in accordance with this Agreement. The Manager is an agent of the Company's business, and the actions of the Manager taken in such capacity and in accordance with this Agreement shall bind the Company.

(ii) The Manager shall have full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company and to take all such actions as he deems necessary or appropriate to accomplish the purpose of the Company as set forth herein. The Manager shall be the sole person or entity with the power to bind the Company, except and to the extent that such power is expressly delegated to any other person or entity by the Manager, and such delegation shall not cause the Manager to cease to be the Manager.

(iii) The Manager may appoint individuals with or without such titles as he may elect, including the titles of President, Vice President, Treasurer, Secretary, and Assistant Secretary, to act on behalf of the Company with such power and authority as the Manager may delegate in writing to any such persons from time to time. From time to time the Manager may also rescind such designations in writing. The Manager hereby makes the following initial appointments: himself as President of the Company, D. Michael Gray and Kerry Berman as Vice Presidents of the Company, and Kerry Berman as Treasurer of the Company.

8.2 Powers of the Manager. The Manager shall have the right, power and authority, in the management of the business and affairs of the Company, to do or cause to be done any and all acts deemed by the Manager to be necessary or appropriate to effectuate the business, purposes and objectives of the Company, at the expense of the Company. Without limiting the generality of the foregoing, the Manager shall have the power and authority to:

(i) establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to allocations and distributions;

(ii) bring and defend on behalf of the Company actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise; and

(iii) execute all documents or instruments, perform all duties and powers and do all things for and on behalf of the Company in all matters necessary, desirable, convenient or incidental to the purpose of the Company, including, without limitation, all documents, agreements and instruments related to the making of investments of Company funds.

The expression of any power or authority of the Manager in this Agreement shall not in any way limit or exclude any other power or authority of the Manager which is not specifically or expressly set forth in this Agreement.

8.3 No Management by Other Persons or Entities. Except and only to the extent expressly delegated by the Manager, no person or entity other than the Manager and the Member shall be an agent of the Company or have any right, power or authority to transact any business in the name of the Company or to act for or on behalf of or to bind the Company.



8.4 Reliance by Third Parties. Any person or entity dealing with the Company or the Manager or the Member may rely upon a certificate signed by the Manager as to:

- (i) the identity of the Manager or the Member;
- (ii) the existence or non-existence of any fact or facts which constitute a condition precedent to acts by the Manager or the Member or are in any other manner germane to the affairs of the Company;
- (iii) the persons who or entities which are authorized to execute and deliver any instrument or document of or on behalf of the Company; or
- (iv) any act or failure to act by the Company or as to any other matter whatsoever involving the Company or the Member.

9. Dissolution. The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (a) December 31, 2020, (b) the written consent of the Member, (c) the death, retirement, resignation, expulsion, bankruptcy or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company, or (d) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

10. Capital Contribution. The Member has contributed \$10, in cash, and no other property, to the Company.

11. Additional Contributions. The Member is not required to make any additional capital contribution to the Company.

12. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

13. Distributions. Distributions shall be made to the Member at the times and in the amounts determined by the Manager.

14. Assignments. The Member may assign in whole or in part its limited liability company interest.

15. Resignation. The Member may resign from the Company.

16. Admission of Additional Members. One or more additional members of the Company may be admitted to the Company with the consent of the Member. Prior to the admission of any such additional member of the Company, the Member shall amend this Agreement to make such changes as the Member shall determine to reflect the fact that the Company shall have more than one member.

17. Liability of Member. The Member shall not have any liability for the obligations or

liabilities of the Company except to the extent provided in the Act.

18. Indemnification.

18.1 Exculpation.

(i) For purposes of this Agreement, the term "Covered Persons" means the Member, any Affiliate of the Member and any officers, directors, shareholder, partners or employees of the Member and their respective Affiliates, and the Manager, any officer, employee or expressly authorized agent of the Company or its Affiliates.

(ii) No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by, such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

(iii) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person or entity as to matters the Covered Person reasonably believes are within the professional or expert competence of such person or entity and who or which has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

18.2 Duties and Liabilities of Covered Persons.

(i) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity are agreed by the Member to replace such other duties and liabilities of such Covered Person.

(ii) Unless otherwise expressly provided herein, (a) whenever a conflict of interest exists or arises between Covered Persons, or (b) whenever this Agreement or any other agreement contemplated herein provides that a Covered Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Company or the Member, the Covered Person shall resolve such conflict of interest taking such action or providing such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted



accounting practices or principles. In the absence of bad faith by the Covered Person, the resolution, action or term so made, taken or provided by the Covered Person shall not constitute a breach of this Agreement or any other agreement contemplated herein or of any duty or obligation of the Covered Person at law or in equity or otherwise.

(iii) Whenever in this Agreement a Covered Person is permitted or required to make a decision (a) in its "discretion" or under a grant of similar authority or latitude, the Covered Person shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person, or (b) in its "good faith" or under another express standard, the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or other applicable law.

18.3 Indemnification. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 18 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

18.4 Expenses. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 18.

18.5 Indemnification Procedures. In the event that any claim or other matter arises as to which a party (an "Indemnitee") intends to seek indemnification from another party (an "Indemnitor") hereunder, the Indemnitee shall promptly notify the Indemnitor of the same, with all appropriate background information. The Indemnitor shall be entitled to defend, negotiate, settle, and/or appeal the same, using counsel reasonably approved by the Indemnitee and keeping the Indemnitee duly informed, and the Indemnitee shall cooperate fully with the Indemnitor in any such process. In no event shall an Indemnitor be bound by, or required to pay an Indemnitee as to, any settlement or negotiated, admitted or conceded claim or expense as to which the Indemnitor has not given its consent, such consent not to be unreasonably withheld.

18.6 Consequential Damages. Notwithstanding the preceding, the parties hereto, on behalf of their respective Indemnitees, hereby release each other and waive all rights with respect to consequential damages arising under or in connection with or related to this transaction (the

foregoing, however, shall not apply as to claims for consequential damages made by unrelated third parties for which one party is otherwise responsible to indemnify the other hereunder).

18.7 Insurance. The Company may purchase and maintain insurance, to the extent and in such amounts as the Manager shall in his sole discretion, deem reasonable, on behalf of Covered Persons and such other persons or entities as the Manager shall determine, against any liability that may be asserted against or expenses that may be incurred by any such person or entity in connection with the activities of the Company or such indemnities, regardless of whether the Company would have the power to indemnify such person or entity against such liability under the provisions of this Agreement. The Manager and the Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under this Section 18 and containing such other procedures regarding indemnification as are appropriate.

19. Outside Business. The Member or any Affiliate thereof may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company, and the Company and the Member shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derives therefrom, and the pursuit of any such venture, even if competitive with the business of the Company, shall not be deemed wrongful or improper. The Member or Affiliate thereof shall not be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that, if presented to the Company, could be taken by the Company, and the Member or Affiliate thereof shall have the right to take for its own account (individually or as a partner, shareholder, fiduciary or otherwise) or to recommend to others any such particular investment opportunity.

20. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware, without regard to the rules of conflict of laws thereof.

IN WITNESS WHEREOF, the undersigned has duly executed this Limited Liability Company Agreement as of the day and year first aforesaid.

---

Henry A. Lambert



*Office of the Secretary of State*

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I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "LAMBERT DEVELOPMENT LLC", FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF JULY, A.D. 2000, AT 9 O'CLOCK A.M.

3264197 8100

001373534



*Edward J. Freel*  
\_\_\_\_\_  
Edward J. Freel, Secretary of State 0577868

AUTHENTICATION:

07-24-00

DATE:

**CERTIFICATE OF FORMATION**  
**OF**  
**LAMBERT DEVELOPMENT LLC**

The undersigned, an authorized natural person, for the purpose of forming a limited liability company, under the provisions and subject to the requirements of the Delaware Limited Liability Company Act, hereby certifies that:

1. The name of the limited liability company is Lambert Development LLC (hereinafter called the "Company").
2. The address of the registered office and the name and the address of the registered agent of the Company required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are National Registered Agents, Inc., 9 East Lockerman Street, Dover, Delaware 19901.

Executed on July 24, 2000



Sharon L. Friedland, Esq.  
203 East 74<sup>th</sup> Street, 7<sup>th</sup> floor  
New York, New York 10021-3338



**State of California**  
**Secretary of State**

**CERTIFICATE OF GOOD STANDING**  
**FOREIGN LIMITED LIABILITY COMPANY**

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That on the **31st day of July, 2000**, **LAMBERT DEVELOPMENT LLC**, complied with the requirements of California law in effect on that date for the purpose of registering to transact intrastate business in the State of California; and further purports to be a limited liability company organized and existing under the laws of **Delaware** as **LAMBERT DEVELOPMENT LLC**, and;

That the above limited liability company is entitled to transact intrastate business in the State of California as of the date of this certificate subject, however, to any licensing requirements otherwise imposed by the laws of this state; and

That no information is available in this office on the financial condition, business activity or practices of this limited liability company.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of July 11, 2005.



A handwritten signature in black ink, appearing to read "Bruce McPherson".

BRUCE McPHERSON  
Secretary of State

# LAMBERT DEVELOPMENT

## 10. City of Newport Beach Disclosure Statements (Attachment B)

Please find completed and signed Attachment B for Lambert Development, HKS Architects, Inc., Cannon Constructors, The Mark Company, and A.C. Atherton/Summit 7d following this page.



# ATTACHMENT B: STATEMENT OF DISCLOSURE

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**Instructions: Each submittal must be accompanied by a signed Statement of Disclosure. This form must be completed, signed, dated and submitted by all persons proposed to serve as a Consultant Team Member.**

Consultants and proposed Consultant Team Members must disclose any and all business activities, relationships and/or business positions currently or previously held with City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.

The City has determined that all persons seeking to serve as a Consultant to the City shall complete truthfully, sign, date and submit this Disclosure Statement prior to performing any consultant work or services for the District.

I, \_\_\_\_\_ [NAME OF PROPOSER], hereby certify the following:

- I have no reportable business activities, relationships and/or business positions with any City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.**
- My reportable business activities, relationships and/or business positions within the last five (5) years with City employees, City Council members, City commissioners, or City advisory boards/committees (please provide a description of the business activity, relationship or business position, relevant dates, job titles, positions held, etc.):**

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The foregoing certifications are true and correct. I make this certification under penalty of perjury under the laws of the State of California.

Signature of Consultant

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Signature Date

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*Printed Name and Title*

*[ If necessary, attach a separate sheet(s) detailing each instance ]*

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I, Scott Hunter [NAME OF PROPOSER], hereby certify the following:

- I have no reportable business activities, relationships and/or business positions with any City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.**
- My reportable business activities, relationships and/or business positions within the last five (5) years with City employees, City Council members, City commissioners, or City advisory boards/committees (please provide a description of the business activity, relationship or business position, relevant dates, job titles, positions held, etc.):**

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The foregoing certifications are true and correct. I make this certification under penalty of perjury under the laws of the State of California.



Signature Date

Nov. 19, 2012

Printed Name and Title

Scott Hunter, Principal

[ If necessary, attach a separate sheet(s) detailing each instance ]

## ATTACHMENT B: STATEMENT OF DISCLOSURE

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I, Larry Pace of Cannon Constructors [NAME OF PROPOSER], hereby certify the following:

I have no reportable business activities, relationships and/or business positions with any City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.

My reportable business activities, relationships and/or business positions within the last five (5) years with City employees, City Council members, City commissioners, or City advisory boards/committees (please provide a description of the business activity, relationship or business position, relevant dates, job titles, positions held, etc.):

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The foregoing certifications are true and correct. I make this certification under penalty of perjury under the laws of the State of California.

Signature of Consultant  


Signature Date Nov. 19, 2012

Larry Pace President  
CANNON CONSTRUCTORS  
Printed Name and Title

[ If necessary, attach a separate sheet(s) detailing each instance ]



# ATTACHMENT B: STATEMENT OF DISCLOSURE

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ALAN P. R



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The foregoing certifications are true and correct. I make this certification under penalty of perjury under the laws of the State of California.

Signature of Consultant

Alan P. Mark

Signature/Date

Nov. 19, 2012

Printed Name and Title

ALAN P. MARK  
PRESIDENT

[ If necessary, attach a separate sheet(s) detailing each instance ]

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The City has determined that all persons seeking to serve as a Consultant to the City shall complete truthfully, sign, date and submit this Disclosure Statement prior to performing any consultant work or services for the District.

I, \_\_\_\_\_ [NAME OF PROPOSER], hereby certify the following:

- I have no reportable business activities, relationships and/or business positions with any City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.**
- My reportable business activities, relationships and/or business positions within the last five (5) years with City employees, City Council members, City commissioners, or City advisory boards/committees (please provide a description of the business activity, relationship or business position, relevant dates, job titles, positions held, etc.):**

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The foregoing certifications are true and correct. I make this certification under penalty of perjury under the laws of the State of California.

Signature of Consultant

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Signature Date

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*Printed Name and Title*

*[ If necessary, attach a separate sheet(s) detailing each instance ]*