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ELECTRONICALLY FILED
Superior Court of California
County of Santa Barbara
Darrel E. Parker, Executive Officer
7/2/2020 4:44 PM
By: Jazmine Teimori, Deputy

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MHCS D Received July 7, 2020
3:30 PM

7 Attorneys for Plaintiff City of Lompoc

8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **COUNTY OF SANTA BARBARA**

11
12 CITY OF LOMPOC, a municipal
corporation,

13 Plaintiff,

14 v.

15 MISSION HILLS COMMUNITY
16 SERVICES DISTRICT, a California
public entity; DOES 1-10, inclusive,

17 Defendants.

Case No. 20CV02225

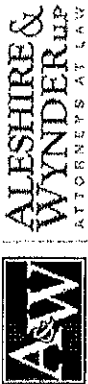
**COMPLAINT FOR DAMAGES,
RESCISSION AND
DECLARATORY RELIEF**

18
19
20 Plaintiff, CITY OF LOMPOC (City) brings the instant Complaint for Damages,
21 Rescission and Declaratory Relief against Defendant Mission Hills Community
22 Services District (MHCS D) as follows:

23 **I.**

24 **INTRODUCTION**

25 1. In 2000, the City undertook the annexation of an area of residential
26 development in unincorporated Santa Barbara County (the "Burton Ranch Project"). At
27 the time, the City did not have the capacity to provide water and wastewater services
28 for the 400+ homes that would be built. The Mission Hills Community Services



**SUMMONS
(CITACION JUDICIAL)**

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

**NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):**
MISSION HILLS COMMUNITY SERVICES DISTRICT, a California public entity;
DOES 1-10, Inclusive

ELECTRONICALLY FILED
Superior Court of California
County of Santa Barbara
Darrel E. Parker, Executive Officer
7/2/2020 4:44 PM
By: Jazmine Teimori, Deputy

**YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):**
CITY OF LOMPOC, a municipal corporation

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desecher el caso.

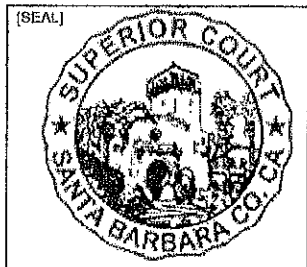
The name and address of the court is:
(El nombre y dirección de la corte es):
Santa Barbara Superior Court, Cook Division
312-C East Cook St., Building E
Santa Maria, CA 93454

CASE NUMBER:
(Número del caso)
20CV02225

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
ALESHIRE & WYNDER, Stephen R. Onstot, SBN 139319
3880 Lemon Street, Suite 520
Riverside, CA 92501 (951)241-7338

DATE: 7/2/2020 Clerk, by /s/ Jazmine Teimori, Deputy
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



NOTICE TO THE PERSON SERVED: You are served

1. as an individual defendant.
2. as the person sued under the fictitious name of (specify):
3. on behalf of (specify): Mission Hills Community Services District, a California Public Entity
under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other (specify): 410.50 Public Entity
4. by personal delivery on (date):

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Stephen R. Onstot, SBN 139319; Michelle E. Sassano, SBN 232368 ALESHIRE & WYNDER, LLP 3880 Lemon Street, Suite 520 Riverside, CA 92501 TELEPHONE NO.: (951) 241-7338 FAX NO.: (951) 300-0985 ATTORNEY FOR (Name): Plaintiff, CITY OF LOMPOC	FOR COURT USE ONLY ELECTRONICALLY FILED Superior Court of California County of Santa Barbara Darrel E. Parker, Executive Officer 7/2/2020 4:44 PM By: Jazmine Teimori, Deputy
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA BARBARA STREET ADDRESS: 312-C East Cook Street, Bldg. E MAILING ADDRESS: CITY AND ZIP CODE: Santa Maria, CA 93454 BRANCH NAME: North County/Cook Division	CASE NUMBER: 20CV02225 JUDGE: DEPT:
CASE NAME: CITY OF LOMPOC v. MISSION HILLS COMMUNITY SERVICES DISTRICT, et al.	CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less) <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input checked="" type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (28) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive
4. Number of causes of action (specify): 5
5. This case is is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: July 1, 2020
 Stephen R. Onstot _____
(TYPE OR PRINT NAME) _____
(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties In Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

<p>Auto Tort Auto (22)—Personal Injury/Property Damage/Wrongful Death Uninsured Motorist (46) <i>(if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)</i></p> <p>Other P/DPD/WD (Personal Injury/Property Damage/Wrongful Death) Tort Asbestos (04) Asbestos Property Damage Asbestos Personal Injury/Wrongful Death Product Liability <i>(not asbestos or toxic/environmental)</i> (24) Medical Malpractice (45) Medical Malpractice—Physicians & Surgeons Other Professional Health Care Malpractice Other P/DPD/WD (23) Premises Liability (e.g., slip and fall) Intentional Bodily Injury/PD/WD (e.g., assault, vandalism) Intentional Infliction of Emotional Distress Negligent Infliction of Emotional Distress Other P/DPD/WD</p> <p>Non-P/DPD/WD (Other) Tort Business Tort/Unfair Business Practices (07) Civil Rights (e.g., discrimination, false arrest) <i>(not civil harassment)</i> (08) Defamation (e.g., slander, libel) (13) Fraud (16) Intellectual Property (19) Professional Negligence (25) Legal Malpractice Other Professional Malpractice <i>(not medical or legal)</i> Other Non-P/DPD/WD Tort (35)</p> <p>Employment Wrongful Termination (36) Other Employment (15)</p>	<p>Contract Breach of Contract/Warranty (06) Breach of Rental/Lease Contract <i>(not unlawful detainer or wrongful eviction)</i> Contract/Warranty Breach—Seller Plaintiff <i>(not fraud or negligence)</i> Negligent Breach of Contract/Warranty Other Breach of Contract/Warranty Collections (e.g., money owed, open book accounts) (09) Collection Case—Seller Plaintiff Other Promissory Note/Collections Case Insurance Coverage <i>(not provisionally complex)</i> (18) Auto Subrogation Other Coverage Other Contract (37) Contractual Fraud Other Contract Dispute</p> <p>Real Property Eminent Domain/Inverse Condemnation (14) Wrongful Eviction (33) Other Real Property (e.g., quiet title) (26) Writ of Possession of Real Property Mortgage Foreclosure Quiet Title Other Real Property <i>(not eminent domain, landlord/tenant, or foreclosure)</i></p> <p>Unlawful Detainer Commercial (31) Residential (32) Drugs (38) <i>(if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)</i></p> <p>Judicial Review Asset Forfeiture (05) Petition Re: Arbitration Award (11) Writ of Mandate (02) Writ—Administrative Mandamus Writ—Mandamus on Limited Court Case Matter Writ—Other Limited Court Case Review Other Judicial Review (39) Review of Health Officer Order Notice of Appeal—Labor Commissioner Appeals</p>	<p>Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403) Antitrust/Trade Regulation (03) Construction Defect (10) Claims Involving Mass Tort (40) Securities Litigation (28) Environmental/Toxic Tort (30) Insurance Coverage Claims <i>(arising from provisionally complex case type listed above)</i> (41)</p> <p>Enforcement of Judgment Enforcement of Judgment (20) Abstract of Judgment (Out of County) Confession of Judgment <i>(non-domestic relations)</i> Sister State Judgment Administrative Agency Award <i>(not unpaid taxes)</i> Petition/Certification of Entry of Judgment on Unpaid Taxes Other Enforcement of Judgment Case</p> <p>Miscellaneous Civil Complaint RICO (27) Other Complaint <i>(not specified above)</i> (42) Declaratory Relief Only Injunctive Relief Only <i>(non-harassment)</i> Mechanics Lien Other Commercial Complaint Case <i>(non-tort/non-complex)</i> Other Civil Complaint <i>(non-tort/non-complex)</i></p> <p>Miscellaneous Civil Petition Partnership and Corporate Governance (21) Other Petition <i>(not specified above)</i> (43) Civil Harassment Workplace Violence Elder/Dependent Adult Abuse Election Contest Petition for Name Change Petition for Relief From Late Claim Other Civil Petition</p>
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Print Form

Clear Form

ATTORNEY OR PARTY WITHOUT ATTORNEY (NAME AND ADDRESS): Stephen R. Onstot, SBN 139319; Michelle E. Sassano, SBN 232368 ALESHIRE & WYNDER, LLP 3880 Lemon Street, Suite 520 Riverside, CA 92501 ATTORNEY FOR (NAME): Plaintiff, City of Lompoc	TELEPHONE NO.: (951) 241-7338 FOR COURT USE ONLY ELECTRONICALLY FILED Superior Court of California County of Santa Barbara Darrel E. Parker, Executive Officer 7/2/2020 4:44 PM By: Jazmine Teimori, Deputy
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA BARBARA <input type="checkbox"/> Santa Barbara--Anacapa <input checked="" type="checkbox"/> Santa Maria-Cook <input type="checkbox"/> Lompoc Division 1100 Anacapa Street 312-C East Cook Street 115 Civic Center Plaza Santa Barbara, CA 93101 Santa Maria, CA 93454 Lompoc, CA 93436	
PLAINTIFF: CITY OF LOMPOC, a municipal corporation	
DEFENDANT: MISSION HILLS COMMUNITY SERVICES DISTRICT, et al.	
CIVIL CASE COVER SHEET ADDENDUM	CASE NUMBER: 20CV02225

Santa Barbara County Superior Court Local Rule, rule 201 divides Santa Barbara County geographically into two separate regions referred to as "South County" and "North County," the boundaries of which are more particularly defined in rule 201. "South County" includes the cities of Carpinteria, Santa Barbara, and Goleta; "North County" includes the cities of Santa Maria, Lompoc, Buellton and Solvang. A map depicting this geographical division is contained in Appendix 1 to the local rules.

Local Rule 203 provides: "When, under California law, 'North County' would be a 'proper county' for venue purposes, all filings for such matters shall be in the appropriate division of the Clerk's office in North County. All other filings shall be made in the Clerk's office in the appropriate division of the Court in South County. The title of the Court required to be placed on the first page of documents pursuant to CRC 2.111 includes the name of the appropriate Court division."

A plaintiff filing a new complaint or petition is required by Local Rule 1310 to complete and file this Civil Case Cover Sheet Addendum to state the basis for filing in North County or South County.

The undersigned represents to the Court:

This action is filed in North County South County because venue is proper in this region for the following reason(s):

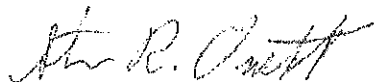
A defendant resides or has its principal place of business in this region at: 1550 Burton Mesa Blvd., Lompoc, CA 93436

The personal injury, damage to property, or breach of contract that is claimed in the complaint occurred in this region at: 1550 Burton Mesa Blvd., Lompoc, CA 93436

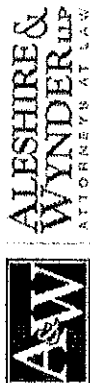
There is a related case filed with the court in this region (e.g., the related personal injury action to a petition to transfer structured settlement payments) [identify case, including case number]: _____

Venue is otherwise proper in this region because [explain]: _____

Dated: July 1, 2020



Signature of Plaintiff or Plaintiff's Counsel



1 District (MHCSD) represented to the City that it had the necessary capacity and
 2 infrastructure to provide water and wastewater services to the Burton Ranch Project.
 3 Accordingly, the City and MHCSD entered into an Annexation Agreement Between
 4 The City Of Lompoc And The Mission Hills Community Services District
 5 (Agreement), whereby MHCSD would provide water and wastewater services to the
 6 Project and the City would provide all other municipal services. A copy of the
 7 Agreement is attached hereto as Exhibit A, and its provisions incorporated herein as
 8 though set forth in full.

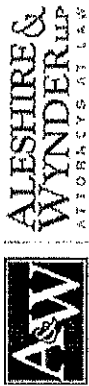
9 2. The Burton Ranch Project is now at the point where water and wastewater
 10 services are needed; however, MHCSD does not have and, despite representations to
 11 the contrary, never had, the infrastructure and capacity to provide water and wastewater
 12 services to the Burton Ranch Project. As a result of MHCSD's inability to perform, the
 13 City brings the instant action for fraud in the inducement/lack of consideration for the
 14 Agreement, negligence in implementing the Agreement, rescission due to mutual
 15 mistake, rescission in the public interest, and declaratory relief.

16 **II.**
 17 **PARTIES**

18 3. Plaintiff City of Lompoc is a California general law city incorporated
 19 within the boundaries of the County of Santa Barbara. The City has the infrastructure
 20 and capacity to provide water and wastewater services to its residents and businesses,
 21 including those in the Burton Ranch Project.

22 4. Defendant Mission Hills Community Services District is a public entity
 23 formed and operated pursuant to California Community Services District law to provide
 24 water and wastewater services. The MHCSD boundaries are wholly within the County
 25 of Santa Barbara.

26 5. Plaintiff is ignorant of the true names and capacities of Defendants sued
 27 herein as DOES 1-10 and therefore sues these Defendants by such fictitious names.
 28 Plaintiff will amend this Complaint and allege the true names and capacities of said



1 Defendants when ascertained. Plaintiff is informed, believes, and thereon alleges that
2 each of the fictitiously named Defendants is responsible in some manner for the
3 occurrences alleged herein and that Plaintiff's damages were proximately caused by
4 their actions.

5 6. Plaintiff is informed, believes, and thereon alleges that at all times
6 mentioned, each of the named DOE Defendants was the agent of some or all of the
7 other Defendants, and in doing the acts and making the omissions alleged herein was
8 acting within the course and scope of such agency and with the permission, authority,
9 or ratification of each such co-defendant. Each Defendant is jointly and severally liable
10 for the wrongs alleged herein.

11 **III.**

12 **THE BURTON RANCH PROJECT**

13 7. The Burton Ranch Project is an approximately 149-acre proposed
14 residential development bounded by Highway 1/Casmalia Road to the south and west,
15 Harris Grade Road to the east and the Burton Mesa Ecological Reserve to the north.

16 8. The Burton Ranch Project is entirely within the County of Santa Barbara.
17 It was annexed into the incorporated area of the City in 2006 and annexed into the
18 boundaries of the MHCSD in 2007. The City approved the Specific Plan for the Burton
19 Ranch Project in 2006 and amended same in 2007 and 2014.

20 **IV.**

21 **THE AGREEMENT**

22 9. Because the Burton Ranch Project is subject to overlapping jurisdictions of
23 the City and MHCSD, the purposes of the Agreement are, *inter alia*, to (a) prevent
24 unnecessary duplication of water and wastewater services to the Burton Ranch Project,
25 and (b) prevent confusion and inconvenience to landowners and residents of the Burton
26 Ranch Project that may occur if questions of respective service areas are not resolved.

27 ///

28 ///

1 10. Pursuant to the Agreement, MHCS D was to be the sole provider of water
2 and wastewater services to the Burton Ranch Project based on its representations that it
3 had the capacity to do so.

4 V.

5 **FIRST CAUSE OF ACTION FOR FRAUD IN THE INDUCEMENT/ LACK**
6 **OF CONSIDERATION**
7 **(against Defendant MHCS D)**

8 11. The City incorporates paragraphs 1-10, inclusive, as though fully set forth
9 herein.

10 12. The Agreement states the following:

11 “WHEREAS, DISTRICT has constructed infrastructure and facilities to
12 provide sewer and water services to the Defined Services Area; and
13 WHEREAS, under the current Santa Barbara County zoning designation
14 DISTRICT has the necessary capacity to provide sewer and water
15 services to the Defined Services Area...”

16 “1. Recitals Incorporated. The above recitals are true and correct and
17 incorporated herein by this reference.”

18 13. Those representations by MHCS D were, in fact, false, for in May, 2000
19 MHCS D had neither the infrastructure nor the capacity to provide sewer and water
20 service to the Burton Ranch Project. Because the primary purpose of the Agreement
21 was to ensure water and wastewater services to the Burton Ranch Project, the
22 misrepresentations of MHCS D constitute a complete lack of consideration by MHCS D.

23 14. On information and belief, in May, 2000, no one knew MHCS D’s
24 infrastructure and capacity better than MHCS D, itself, and, at that time, MHCS D either
25 (i) knew it had neither the infrastructure nor the capacity to provide sewer and water
26 services to the Burton Ranch Project or (ii) recklessly represented it had such
27 infrastructure and capacity when, in fact, it did not.

28 ///





1 15. In May, 2000, MHCSD, in consideration for the City entering into the
2 Agreement, intended the City to rely on its representations regarding infrastructure and
3 capacity in entering into the Agreement, so City would not develop and use its own
4 infrastructure and capacity to provide sewer and water services to the Burton Ranch
5 Project.

6 16. The City reasonably relied on MHCSD's representations in that MHCSD
7 was in the business of providing sewer and water services and, therefore, should know
8 its own infrastructure and capacity to do so.

9 17. On or about in 2019, the Burton Ranch Project was at the point of moving
10 forward where water and wastewater services were needed. The City learned at this
11 time that MHCSD does not have and, despite representations to the contrary, never had,
12 the infrastructure and capacity to provide water and wastewater services to the Burton
13 Ranch Project.

14 18. As a result of MHCSD's failure to provide consideration for the
15 Agreement, much needed housing will likely not be provided due to the additional costs
16 MHCSD may seek to impose on the developer of the Burton Ranch Project to pay for,
17 *inter alia*, the necessary planning and design of infrastructure to provide water and
18 wastewater service to the Burton Ranch Project---infrastructure that MHCSD
19 represented was already in place in 2000. That in turn will add to the State of
20 California's housing crisis. The City will suffer damages due to that lack of housing
21 through loss of direct and indirect tax revenues, as well the increased housing shortage.
22 Those damages will continue to accrue until the Burton Ranch Project is provided
23 financially feasible water and wastewater services.

24 19. MHCSD's representations, which the City relied on to grant the land
25 use entitlements necessary for the Burton Ranch Project, were a substantial factor in
26 the City entering into the Agreement.

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VI.
SECOND CAUSE OF ACTION FOR NEGLIGENCE
(against Defendant MHCSD)

20. The City incorporates paragraphs 1-19, inclusive, as though fully set forth herein.

21. In May, 2000, MHCSD made the false representations set forth in Paragraph 12, above.

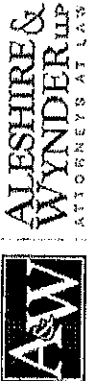
22. On information and belief, if MHCSD honestly believed such representations to be true, then MHCSD had no studies, data, or other information constituting reasonable grounds for believing the representations to be true in May, 2000 or to have adequate water and wastewater capacity to service the Burton Ranch Project in 2019 when the Burton Ranch Project was in need of water and wastewater services.

23. In May, 2000, MHCSD intended the City rely on its representations regarding infrastructure and capacity so City would not develop and use its own infrastructure and capacity to provide sewer and water services to the Burton Ranch Project.

24. The City reasonably relied on MHCSD's representations in that MHCSD was in the business of providing sewer and water services and, therefore, should know its own infrastructure and capacity to do so.

25. On or about in 2019, the Burton Ranch Project was at the point of moving forward where water and wastewater services were needed. The City learned at this time that MHCSD does not have and, despite representations to the contrary, never had, the infrastructure and capacity to provide water and wastewater services to the Burton Ranch Project. Accordingly, in implementing the Agreement, MHCSH negligently breached its duty to provide water and wastewater services to the Burton Ranch Project at the time it was needed.

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1 26. As a result of MHCS D's misrepresentations and failure to implement the
2 Agreement, much needed housing will likely not be provided due to the additional costs
3 MHCS D will impose on the developer of the Burton Ranch Project to pay for, *inter*
4 *alia*, the necessary planning and design of infrastructure to provide water and
5 wastewater service to the Burton Ranch Project---infrastructure that MHCS D
6 represented was already in place in 2000. That in turn will add to the State of
7 California's housing crisis. The City will suffer damages due to that lack of housing
8 through loss of direct and indirect tax revenues, as well the increased housing shortage.
9 Those damages will continue to accrue until the Burton Ranch Project is provided
10 financially feasible water and wastewater services.

11 27. MHCS D's representations, which the City relied on to grant the land use
12 entitlements necessary for the Burton Ranch Project. were a substantial factor in the
13 City entering into the Agreement.

14 **VII.**
15 **THIRD CAUSE OF ACTION FOR RESCISSION**
16 **(Mutual Mistake)**
17 **(against Defendant MHCS D)**

18 28. The City incorporates Paragraphs 1-27, inclusive, as though fully set forth
19 herein.

20 29. On information and belief, in May, 2000, MHCS D was mistaken as to the
21 fact that it had sufficient infrastructure and capacity to provide water and wastewater
22 services to the Burton Ranch Project, which was a material term of the Agreement.

23 30. In May, 2000, the City was mistaken as to the fact MHCS D had sufficient
24 infrastructure and capacity to provide water and wastewater services to the Burton
25 Ranch Project and, but for this mistake, the City would not have consented to the
26 Agreement or approved the land use entitlements for the Burton Ranch Project.

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1 31. There are no plain, adequate or speedy legal remedies that would provide
2 complete relief to the City. Pursuant to Civil Code section 1692, the City is entitled to
3 complete relief upon rescission of the Agreement.

4 **VIII.**

5 **FOURTH CAUSE OF ACTION FOR RESCISSION**

6 **(Public Interest)**

7 **(against Defendant MHCS D)**

8 32. The City incorporates Paragraphs 1-31, inclusive, as though fully set forth
9 herein.

10 33. The Burton Ranch Project is over nineteen years in the making, with many
11 public and private entities devoting substantial resources to providing over 400 much-
12 needed housing units in California.

13 34. Now, with commencement of construction of the Burton Ranch Project
14 being imminent, it would be inequitable and against the public interest for MHCS D to
15 hold the Burton Ranch Project hostage to MHCS D's current inability to provide water
16 and wastewater services.

17 35. Accordingly, if MHCS D cannot, or will not, provide the requisite services,
18 then the court should rescind the Agreement pursuant to Civil Code subdivision
19 1689(b)(6), thereby allowing the City to provide them.

20 36. There are no plain, adequate or speedy legal remedies that would provide
21 complete relief to the City. Pursuant to Civil Code section 1692, the City is entitled to
22 complete relief upon rescission of the Agreement.

23 **IX.**

24 **FIFTH CAUSE OF ACTION FOR DECLARATORY RELIEF**

25 **(against Defendant MHCS D and DOE Defendants)**

26 37. The City incorporates Paragraphs 1-36, inclusive, as though fully set forth
27 herein.

28 ///

ALESHIRE &
WYNDER LLP
ATTORNEYS AT LAW



1 38. An actual controversy exists between the City and Defendants regarding
2 water and wastewater services to be provided to the Burton Ranch Project.

3 39. At the time of the Agreement, the City did not have the capacity to provide
4 water and wastewater services to the Burton Ranch Project and, in order to allow for the
5 development to proceed, entered into the Agreement with MHCSD based on MHCSD's
6 representations that it could and would provide such services.

7 40. MHCSD was not, in fact, able to provide water and wastewater services,
8 and is currently unable to do so. On the other hand, during the almost two-decades
9 since the City and MHCSD entered into the Agreement, the City has developed the
10 capacity to provide such services and the ability to quickly develop the infrastructure to
11 deliver them at a financially feasible cost to the developer of the Burton Ranch Project.
12 The City currently provides, and will provide, all other municipal services to the Burton
13 Ranch Project, but without financially feasible water and wastewater services, the
14 Burton Ranch Project is simply not viable. The purpose of the Agreement has been
15 frustrated by MHCSD's failure to perform and the City can no longer stand idly by
16 while the Burton Ranch Project remains stalled due to MHCSD failure to provide the
17 financially feasible services it agreed to provide nineteen years ago on a "time is of the
18 essence" basis.

19 41. On information and belief, MHCSD contends that the Agreement remains
20 valid and it has sole jurisdiction to provide water and waste water services to the Burton
21 Ranch Project.

22 42. Accordingly, the City, both in its capacity as a governmental entity
23 obligated to ensure the availability of governmental services and in its capacity as a
24 party to the Agreement, seeks a declaration of its rights and remedies as to providing
25 water and wastewater services to the Burton Ranch Project.

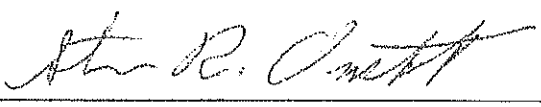
26 WHEREFORE, the City prays as follows:

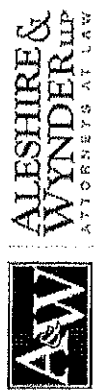
27 1. For compensatory, consequential and incidental damages according to
28 proof at trial;

- 1 2. For rescission of the Agreement;
- 2 3. For a declaration the City may proceed to provide water and
- 3 wastewater services to the Burton Ranch Project;
- 4 4. For reasonable attorney's fees pursuant to contract and according to
- 5 proof;
- 6 5. For reasonable costs of suit; and,
- 7 6. For such other and further relief as the court deems just and proper.
- 8

9 DATED: July 1, 2020

ALESHIRE & WYNDER, LLP
JEFF M. MALAWY
STEPHEN R. ONSTOT
MICHELLE E. SASSANO

By: 
STEPHEN R. ONSTOT
Attorneys for Plaintiff City of Lompoc



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EXHIBIT A

**ANNEXATION AGREEMENT BETWEEN THE CITY OF LOMPOC
AND THE MISSION HILLS COMMUNITY SERVICES DISTRICT**

This Agreement is made on _____ 2000, by and between the Mission Hills Community Services District, hereinafter referred to as "DISTRICT" and the City of Lompoc, hereinafter referred to as "CITY", jointly referred to as "Parties".

RECITALS

WHEREAS, the DISTRICT is a Community Services DISTRICT which was formed in 1979 to provide essential utility services to residents and properties within its geographical boundaries; and

WHEREAS, the CITY is a general law CITY incorporated in 1888 and provides local municipal services to residents and properties within its geographical boundaries; and

WHEREAS, the purposes of this Agreement between the DISTRICT and the CITY are to:

1. Implement an understanding between the respective parties agreeing to mutually defined service areas for providing water and sewer services;
2. Prevent unnecessary duplication of services and facilities if development occurs;
3. Remove and avoid issues of potential contention between both agencies; and
4. Prevent confusion and inconvenience to landowners and residents that may occur if questions of respective service areas are not resolved; and

WHEREAS, attached hereto as Exhibit "A" and incorporated herein by this reference is a map showing a portion of DISTRICT's and CITY's respective Spheres of Influence and geographical boundaries at the time of execution of this Agreement. The triangular area within DISTRICT's Sphere of Influence bounded by Lompoc Casmalia Road to the west, Harris Grade Road to the east, and DISTRICT's Sphere of Influence boundary to the north, shall constitute the defined service area (hereinafter the "Defined Service Area"), and, exclusive of the property already within DISTRICT's geographical boundaries, is the subject of this Agreement. The Defined Service Area is also shown in Exhibit "A"; and

WHEREAS, DISTRICT has constructed infrastructure and facilities to provide sewer and water services to the Defined Service Area; and

WHEREAS, under the current Santa Barbara County zoning designation DISTRICT has the necessary capacity to provide sewer and water services to the Defined Service Area; and

WHEREAS, the CITY has been asked by the property owners to annex certain properties which are within the Defined Service Area and are currently within the DISTRICT's geographical boundaries and/or Sphere of Influence; and

WHEREAS, CITY and DISTRICT concur that the DISTRICT is the logical provider of sewer and water services to the Defined Service Area and that CITY and DISTRICT will proceed contemporaneously with the requested annexation; and

WHEREAS, by this Agreement the parties intend to set forth their respective duties, rights and obligations with regard to annexation of and services to be provided to properties within the Defined Service Area.

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, the DISTRICT and CITY agree as follows:

1. Recitals Incorporated - The above recitals are true and correct and incorporated herein by this reference.
2. Application - The parties are prepared to apply contemporaneously to the Santa Barbara Local Agency Commission, (LAFCO), for annexation of the Defined Service Area into each respective party's boundaries and shall receive all necessary approvals for such annexation on terms and conditions generally acceptable to both parties which acceptance shall not be unreasonably withheld.
3. Pre-Zoning - CITY shall pre-zone the Defined Service Area primarily for residential and limited neighborhood commercial use. The CITY proposes to zone the Defined Service Area at a residential density no greater than the current Santa Barbara County zoning designation of DR-4.6.
4. Mapped Boundaries - Attached hereto and incorporated herein by reference are "Exhibit B" showing the DISTRICT's Sphere of Influence at the time of execution of this Agreement and "Exhibit C" showing the CITY's Sphere of Influence at the time of execution of this Agreement.
5. Water/Sewer Services - The DISTRICT shall have sole jurisdiction over the provision of water and sewer services to the Defined Service Area and shall be entitled to all fees and charges associated therewith, including but not limited to connection fees and charges, service fees and charges, availability fees and charges, and basic monthly water and sewer fees and charges. Notwithstanding the foregoing, the parties agree that the CITY may, in its sole discretion, require developer participation in a zero impact toilet retrofit rebate program so as to benefit present and future DISTRICT customers.

6. Other Municipal Services - Nothing in this Agreement shall limit the CITY's ability to provide for other municipal services, including but not limited to fire and police protection, street construction and maintenance, and solid waste services within the Defined Service Area.
7. District Ordinances, Resolutions, Rules and Regulations - All properties within the Defined Service Area shall be subject to applicable DISTRICT water/sewer ordinances, resolutions, rules, and regulations. The CITY shall be notified in writing in advance of any changes in applicable DISTRICT ordinances, resolutions, rules, and regulations.
8. Notification of Requests for Annexation - Either party shall promptly notify the other party whenever any property owner within the Defined Service Area requests annexation of such property.
9. Land Use Development Decisions - Nothing in this Agreement shall be deemed to imply in any respect that any particular land or lands within the CITY or the DISTRICT or their respective Spheres of Influence shall be permitted to develop to a use other than currently exists.
10. Development Approval - Water and sewer service components of development or improvement plans for all projects within the defined service area shall be submitted to the DISTRICT for review and approval prior to final approval by the CITY Planning Commission, and shall be subject to all applicable DISTRICT ordinances, rules, regulations, and resolutions.
11. Water Quality - The DISTRICT will not approve any development which has wastewater that would hinder the DISTRICT's compliance with the DISTRICT's Regional Water Quality Control Board discharge permit. The DISTRICT may at its discretion continue to enforce appropriate DISTRICT ordinances to prohibit any self-regenerating water softeners or water treatment units that discharge a brine solution into the DISTRICT's wastewater collection system. The DISTRICT shall require that appropriate wastewater discharge prohibitions are included in each development in the Defined Service Area before granting development approval.
12. Water Rights - The CITY will neither drill nor operate a water well north of the Lompoc Casmalia Road and Purisima Road, nor contract for water services with anyone other than the DISTRICT in the Defined Service Area, unless the DISTRICT approves an exception. The DISTRICT will retain all water rights and claims to water rights within its Sphere of Influence.

13. Indemnity - The CITY agrees that it shall indemnify, defend, protect and hold the DISTRICT, its employees, agents, officers, and directors harmless from and against any claims, actions, suits, proceedings, judgments, losses, costs, liabilities (including, without limitation, sums paid in settlement of claims), deficiencies, fines, penalties, or expenses (including, without limitation, reasonable attorneys', experts' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses) caused by acts or omissions of the CITY arising out of its obligations under this Agreement, and all services provided by CITY to the Defined Service Area, and/or the negligence or willful misconduct of CITY, its employees, agents, and officers.

DISTRICT agrees that it shall indemnify, defend, protect and hold the CITY, its employees, agents, officers, and officials harmless from and against any claims, actions, suits, proceedings, judgments, losses, costs, liabilities (including, without limitation, sums paid in settlement of claims), deficiencies, fines, penalties, or expenses (including, without limitation, reasonable attorneys', experts' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses) caused by acts or omissions of the DISTRICT arising out of its obligations under this Agreement, any and all services provided by DISTRICT to the Defined Service Area, and/or the negligence or willful misconduct of DISTRICT, its employees, agents, and officers.
14. No Merger Contemplated - This Agreement is not intended and should not be construed to be an initial step toward a merger or consolidation of CITY and DISTRICT.
15. No Waiver Implied - The waiver of any breach by either party of any provision of the Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of this Agreement.
16. Assignment Prohibited - This Agreement is specifically not assignable to any person or entity. Any assignment or attempt to assign is void and is a material breach of this Agreement unless agreed to in writing by both parties.
17. Binding on Successors - This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, and successors in interest of the parties hereto, but nothing in this section shall be construed as a consent to any assignment of this Agreement or assignment of any interest in this Agreement.
18. Attorneys' Fees - In the event of any controversy, claim, or dispute between the parties hereto arising out of or relating to this Agreement or the breach thereof, the prevailing party shall be entitled, in addition to other such relief as may be granted, to a reasonable sum as and for attorneys' fees and costs.

19. Notices - Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either party to this Agreement shall be in writing and shall be deemed fully served and given when personally delivered or, in lieu of such personal service, when deposited in the United States Postal Service, first-class postage prepaid, to the following address for each respective party:
- DISTRICT: Mission Hills Community Services District
 Attn: DISTRICT Manager
 1550 East Burton Mesa Boulevard
 Lompoc, CA 93436
- CITY: City of Lompoc
 Attention: City Administrator
 100 Civic Center Plaza
 Lompoc, CA 93436
20. Severability - Should any provision of this Agreement be held by a court of competent jurisdiction or by a legislative or rule making act to be either invalid, void or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, unimpaired by the holding, legislation or rule.
21. Sole Agreement - This Agreement constitutes the sole and entire agreement between the parties with respect to the subject matter hereof. This Agreement correctly sets forth the obligations of the parties hereto to each other as of the date of this Agreement. All agreements or representations respecting the subject matter of this Agreement not expressly set forth or referred to in this Agreement are null and void.
22. Time of Essence - Time is expressly declared to be of the essence in this Agreement. The parties agree that in the event that California statutes conflict with this Agreement, the statutes shall prevail over the provisions of the Agreement.
23. Authority - The parties hereby represent that the individuals executing this Agreement are expressly authorized to do so on and in behalf of the parties.
24. Legal Review - The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.
25. Notification - Amendments to this Agreement shall be in writing and shall be made

- 25. Notification - Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.
- 26. Copy to LAFCO - A copy of this executed Agreement shall be sent to the Santa Barbara Local Agency Formation Commission.

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

CITY OF LOMPOC, a California Municipal Corporation

By: [Signature]
Mayor

Date: 5/16/00

ATTEST [Signature]
City Clerk

APPROVED AS TO FORM

By: [Signature]
City Attorney

MISSION HILLS COMMUNITY SERVICES DISTRICT,
a California Community Services DISTRICT

By: [Signature]
President, Board of Directors

Date: 5-18-00

ATTEST [Signature]
Secretary of the Board

APPROVED AS TO FORM

By: [Signature]
District Counsel

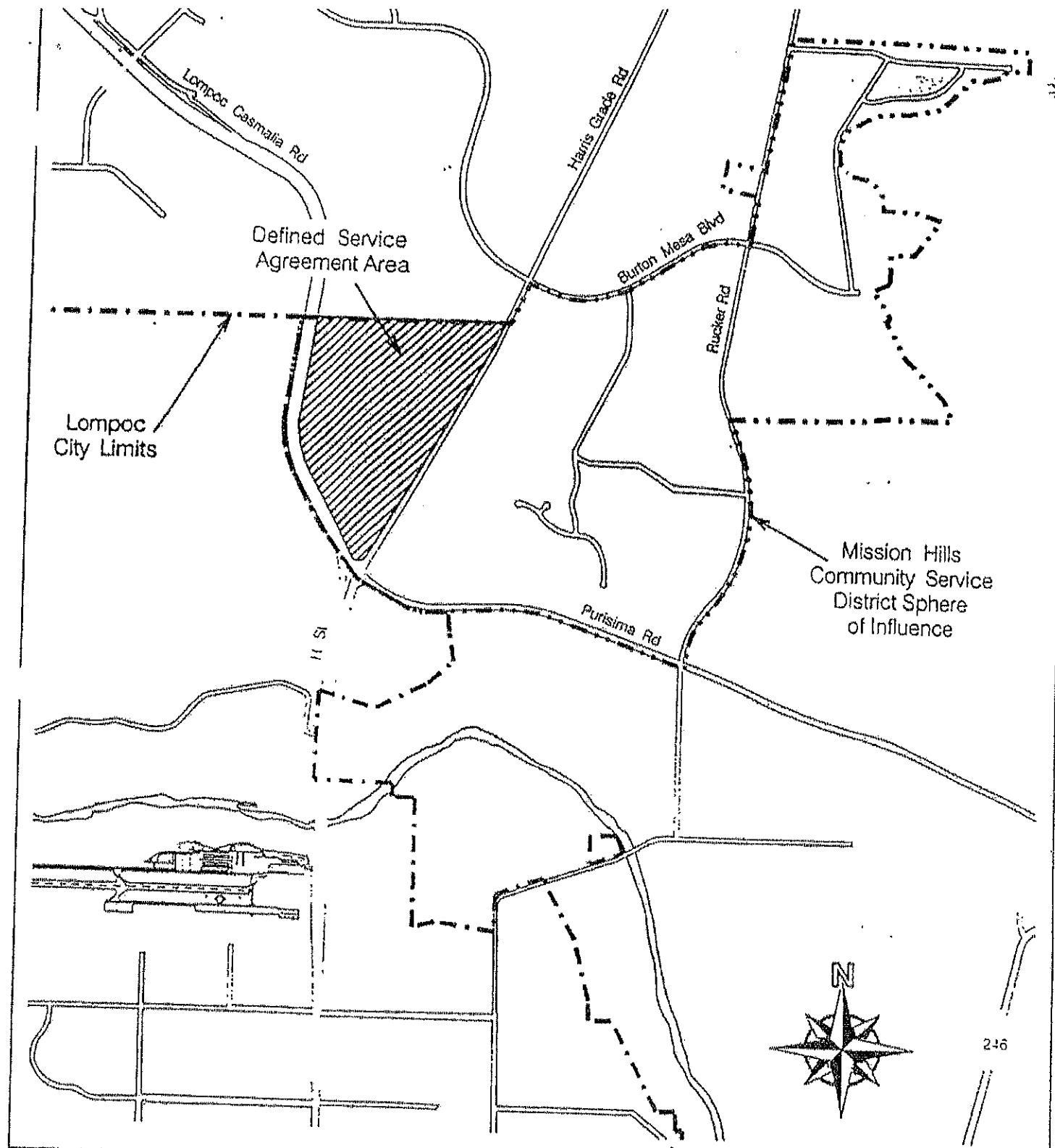
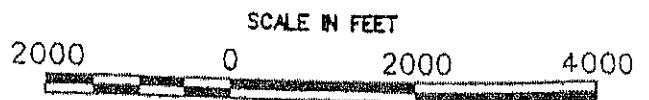
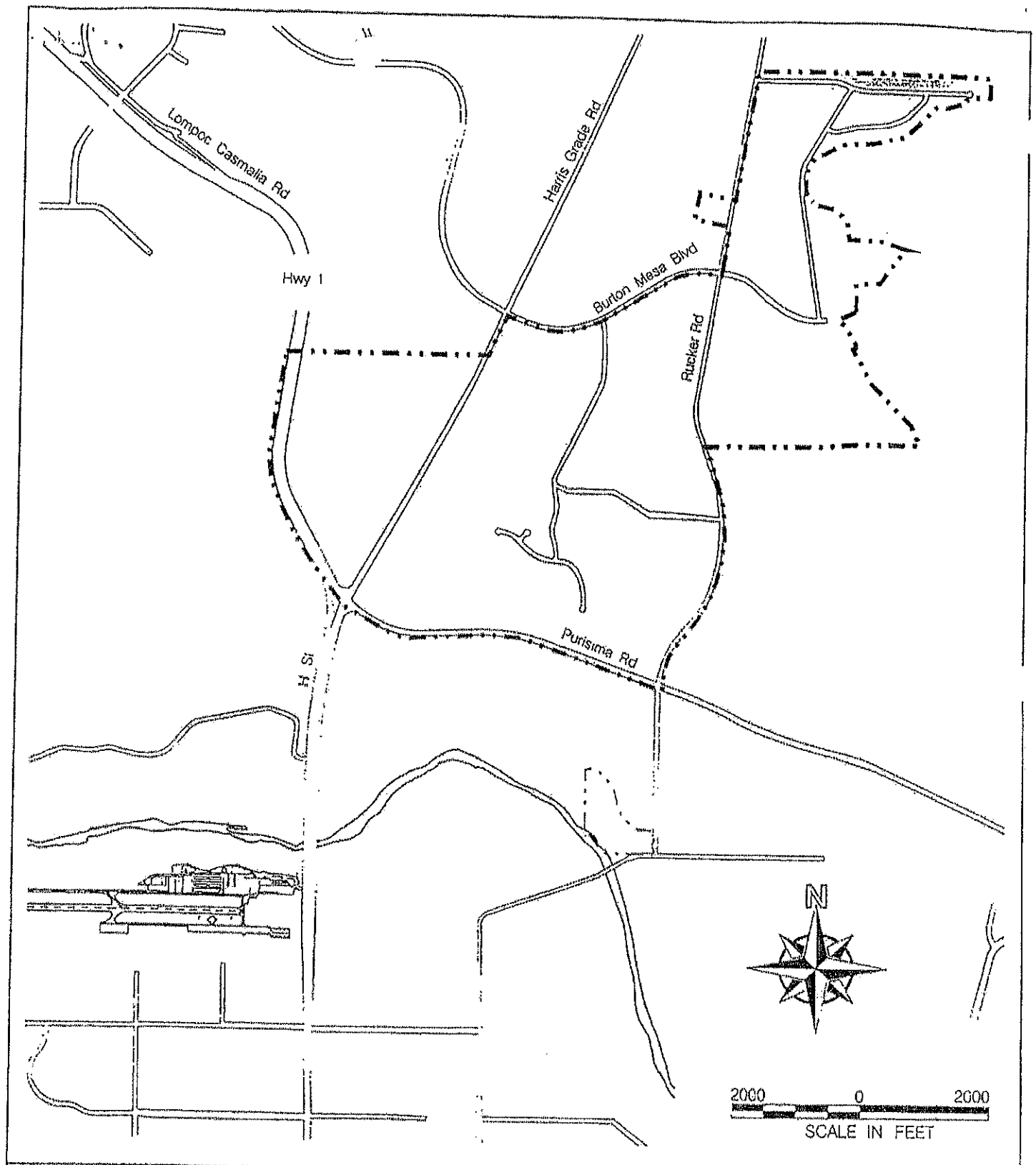


Exhibit A

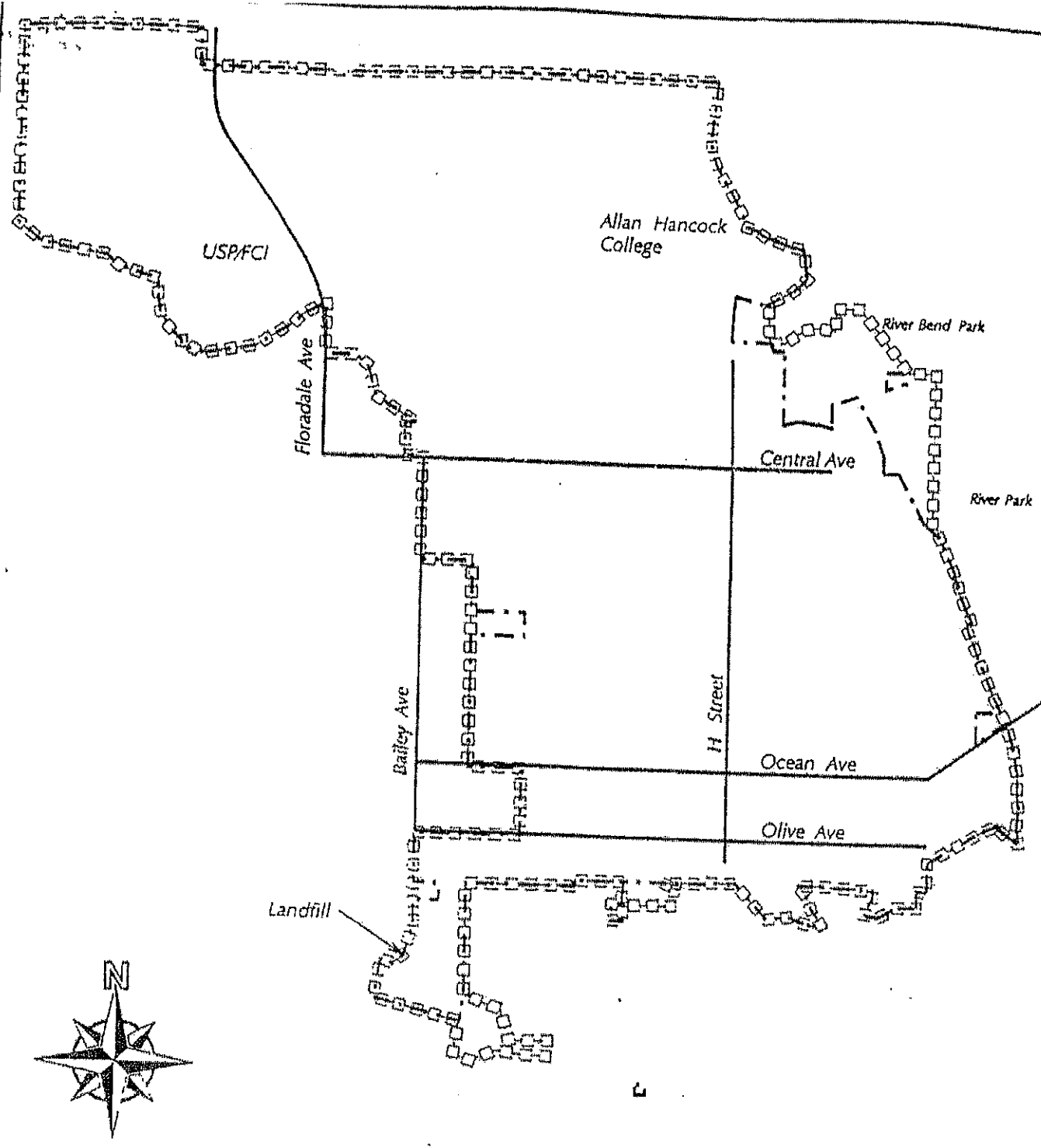




Mission Hills
Community Services District

- — — — — District Boundary
- District Sphere of Influence

Exhibit B



11-178-1999
 City of Lompoc Planning Department

City of Lompoc
Sphere of Influence
Adopted February 4, 1999
Exhibit C

- - - - - Sphere of Influence
- City Limits