

**AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

May 27, 2014
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

Per City Council Resolution No. 2010-38 matters taken up by the Council before 9:00 p.m. may be concluded, but no new matters shall be taken up after 9:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation – Pastor Kevin Spicer, New Creation Church
- Pledge of Allegiance
- Roll Call – Councilmembers Miller, Peterson, Welch, Westholder, Mayor Franklin

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE

PUBLIC COMMENTS – *On Items Not on the Agenda*

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, and appropriate Council Action.) See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

CORRESPONDENCE: Items received under the category may be received and filed or referred to staff for future research or a future agenda.

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens

VI. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council wishes to remove an item for separate consideration.)

Motion: That the City Council approve Consent Item 1 through 7

Items to be pulled _____, _____, _____ for discussion.

(Resolutions require a recorded majority vote of the total membership of the City Council)

1. Approval of Minutes – Special Meeting – 04/22/14 *(Closed Session)* **1**
2. Approval of Minutes – Regular Meeting – 04/22/14 **2**
3. Report of Investments for April 2014 **17**
4. Approval of Accounts Payable and Payroll Warrants for Month of April 2014. **24**
5. Sole Source Purchase from Kustom Signals, Inc. to Purchase Nine (9) Digital Eyewitness G3 Vision Patrol Car Camera Systems in the Amount of \$48,848.04. **27**
6. City Council to consider a formal position in support of our Local and Regional Military Installations in the County of Riverside **38**
7. Resolution No. 2014-38, Approving the Purchase Agreement between Pristine Builders, Inc. and the City of Banning for the Property located at 215 E. Barbour Street, Banning California. **49**

- **Open for Public Comments**
- **Make Motion**

V. PUBLIC HEARINGS

(The Mayor will ask for the staff report from the appropriate staff member. The City Council will comment, if necessary on the item. The Mayor will open the public hearing for comments from the public. The Mayor will close the public hearing. The matter will then be discussed by members of the City Council prior to taking action on the item.)

1. Ordinance No. 1477 of the City Council of the City of Banning Repealing Ordinance No. 842 and Chapter 15.20 of the Municipal Code Regarding Designating Snow Load and Wind Load.
(continued from 4/22/14 City Council Meeting)
Staff Report **94**
Recommendations: That the City Council adopt Ordinance no. 1477.

Mayor asks the City Clerk to read the title of Ordinance No. 1477:

“An Ordinance of the City Council of the City of Banning, California, Repealing Ordinance No. 842 and Chapters 15.20 of the Banning Municipal Code Regarding Snow Load and Wind Load Requirements.”

Motion: I move to waive further reading of Ordinance No. 1477.

(Requires a majority vote of Council)

Motion: I move that Ordinance No. 1477 pass its first reading.

2.	Resolution No. 2014-30, 2014 Edward Byrne Memorial Justice Assistance Grant.	
	Staff Report	109
	Recommendation: That the City Council conduct a Public Hearing and Accept grant funds provided by the Office of Justice Programs in the amount of \$12,623 to cover overtime costs for police officers managing Banning Police Activities League (BPAL) activities.	

VI. REPORTS OF OFFICERS

1.	Continuing Decision Regarding Resolution No. 2014-10, Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys until May 27, 2014.	
	Staff Report	112
	Recommendation: Continue the discussion and decision of Resolution No. 2014-10, Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys until May 27, 2014.	
2.	Resolution No. 2014-35, Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1.	
	Staff Report	133
	Recommendation: That the City Council adopt Resolution No. 2014-35, Declaring the intention to levy and collect assessments within Landscape Maintenance District No. 1 (LMD No. 1) during the Fiscal Year 2014/15, pursuant to the Landscaping and Lighting Act of 1972 for the maintenance and servicing of landscaping, approving the Engineer's Report, and setting the date for the public hearing for the levy of said Assessment.	
3.	Proposed Ordinance No. 1479 to Update Participation in the TUMF (Transportation Uniform Mitigation Fee) Program and Adopt an Amendment to the TUMF Ordinance to Exempt New Specially Adapted Homes for Severely Disabled Veterans.	
	Staff Report	142
	Recommendation: Adoption of Ordinance No. 1479, Amending and Updating the City's TUMF Ordinance No. 1412.	

Mayor asks the City Clerk to read the title of Ordinance No. 1479:

"An Ordinance of the City Council of the City of Banning, California, Amending Ordinance No. 1412, To Include New Exemptions for Newly Constructed Specially Adapted Homes for Severely Disabled Veterans Under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program."

Motion: I move to waive further reading of Ordinance No. 1479.
(Requires a majority vote of Council)

Motion: I move that Ordinance No. 1479 pass its first reading.

VII. ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

- City Council
- City Committee Reports
- Report by City Attorney
- Report by City Manager
 - Status Report on the Banning Police Department
 - Update of the Electric Utility Warehouse Building

VIII. ITEMS FOR FUTURE AGENDAS

New Items – None

Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Discussion on how to handle loans or distributions to charities.
3. Discussion on how the City Council handles donations to the City.
4. Grocery Cart Policy
5. Workshop to discuss the future of the airport.
6. Discussion regarding Public Works Committee and Ad Hoc Committees
7. Discussion regarding City's ordinance dealing with sex offenders and child offenders
8. Discussion to move "Announcements" (events) up on the agenda after Public Comments.
9. Discussion regarding the discretionary limit of \$25,000.
10. Discussion regarding flex scheduling to keep city hall open five days a week.

IX. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 7 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

5/13/14
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Franklin on May 13, 2014 at 3:03 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Peterson
Councilmember Welch
Councilmember Westholder
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Homer Croy, Interim City Manager
June Overholt, Administrative Services Dir./Deputy City Manager
David J. Aleshire, City Attorney
Fred Mason, Electric Utility Director
Marie A. Calderon, City Clerk

CLOSED SESSION

City Attorney said the items on the closed session agenda are two matters of potential litigation pursuant to Government Code Section 54956.9 (d)(4); real property negotiations pursuant to Government Code Section 54956.8 involving: (a) City Yard Parcels APN's: 541-260-030, 541-260-031, 541-260-040, 541-260-043, 541-260-045 (215 E. Barbour St.), (b) Fire Museum – 5261 W. Wilson (APN: 408-134-009); (c) Village at Paseo San Gorgonio (APN: 541-181-009 thru 012, 541-181-024 thru 028, 541-183-001 thru 004 and vacated rights-of-way as depicted on Tentative Parcel Map No. 36285; existing Litigation pursuant to Government Code Section 54956.9(a) – Pardee matter – Cherry Valley Pass Acres and Neighbors v. City of Banning RIC1206271; and personnel matters regarding recruitment of the Chief of Police and City Manager pursuant to Government Code Section 54957.

Mayor Franklin opened the closed session items for public comments and seeing no one in the audience she closed the public comments.

Meeting went into closed session at 3:05 p.m. and reconvened at 5:03 p.m. For the record Councilmember Peterson did not participate in the discussion regarding the Village at Paseo San Gorgonio because of a conflict of interest.

ADJOURNMENT

By common consent the meeting adjourned at 5:00 p.m.

Marie A. Calderon, City Clerk

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

5/13/2014
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Franklin on May 13, 2014 at 5:09 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Peterson
Councilmember Welch
Councilmember Westholder
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Homer Croy, Interim City Manager
June Overholt, Administrative Services Dir./Deputy City Manager
David J. Aleshire, City Attorney
Duane Burk, Public Works Director
Zai Abu Bakar, Community Development Director
Bill Manis, Economic Development Director
Heidi Meraz, Community Services Director
Fred Mason, Electric Utility Director
Phil Holder, Lieutenant
John McQuown, City Treasurer
Marie A. Calderon, City Clerk

The invocation was given by Rev. Daniel Pedraza, First Hispanic Baptist Church. Mayor Pro Tem Welch led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney reported that there were two matters of potential litigation discussed and there was no reportable action taken. With regards to real property negotiations the City Yard parcels were discussed and there was no action taken on that item. With respect to the Fire Museum direction was given to the City's negotiators for further negotiations. With respect to the Village at Paseo San Gorgonio a status report was given and there was no reportable action taken. Concerning the Pardee litigation – Cherry Valley Pass Acres and Neighbors v. City of Banning that matter was not discussed. Personnel matters concerning the recruitment of the Chief of Police and the City Manager those items were discussed and no reportable action was taken.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

Pat Zerr, Duane Burk's mother-in-law addressed the Council and stated that none of her remarks today pertain to either Mayor Franklin or Councilman Welch and she fully supports their work on the Council and wished them luck on their further endeavors. She has lived in the Pass Area for 45 years and has known Duane since he was 10 years old. Duane was the kid that everyone in town knew and while most of the other kids were swimming, going to the park or spending their time at the beach, Duane was knocking on the doors looking for odd jobs to help his family. His mother taught him to be a strong person, hard-working and honest and he always lived by those standards. Twenty-five years ago he married her beautiful daughter and together they built a home that they live in today. In that home they have raised two beautiful, intelligent, strong young women whom she is proud to call her granddaughters. She said that Duane loves his family, his home, his neighborhood, his friends and he loves the city of Banning. He has spent 25 years working in this city trying always to make it a better place to live. He is a great husband, father, friend and son-in-law. He is also a strong Christian who lives his faith every day. Now here he stands accused of being corrupt and dishonest. He has been called a criminal. There have been no lavish vacations, no payoffs and no bribes. She said as she stands here today and looks at this Council she can't help but think of the Three Stooges always running amuck without a clue of what they are doing just making fools of themselves. It is time to step down and let someone who knows what they are doing take over. Someone who will give back to the City of Banning, its residents and its employees the dignity and respect they deserve.

Ann Lanari resident of Beaumont for 45 years addressed the Council stating that Duane Burk grew up in a house right across the street from her and was her son's best friend. She was teaching at Beaumont High School for 34 years and as he came to high school he was one of the most respected, loved students ever to go through Beaumont High. He was respected and loved by teachers, by students, by all the coaches and was chosen as the best athlete at Beaumont High School. She has never heard one negative remark about Duane Burk until she read that poison-pen anonymous letter which is so ridiculous she can't believe it. She said if you walk up and down the streets of Beaumont you would find anybody that has ever heard of Duane Burk, give you a positive comment about him. She loves him and feels he is above reproach.

Julie Lewis addressed the Council stating that she has lived in the Pass Area for 45 years and went to Precious Blood Catholic School and stated that Duane Burk and his lovely wife are her son's godparents and she trusts them with her son's life and everything. He is the most wonderful person she has ever known.

Leslie Wood addressed the Council stating that she also has lived in the Pass Area for 45 years. She said that she was in Karen and Duane Burk's wedding and she speaks nothing but high praise for Duane and his wife Karen and his family. She supports Duane Burk.

Chris McCallum, 757 W. Westward addressed the Council stating that he has been a friend of Duane Burk for about 32 years. Duane was one of the first people he met when he moved here 35 years ago. He said that he has a little different way of looking at some things with Duane

and he is a friend. Duane has this arrogance about him but he has never been more committed to anything over the years than our community. Mr. McCallum said he had the privilege to run for office in the town a few years ago and he was in a meeting in Sun Lakes and in that meeting something came up and he was called a liar to his face by one of the Councilmembers that is here today which was totally a lie and he said he knew the facts. But he was mature enough not to do what he would have done when he was Duane's age, 29, and he didn't do it. You get a letter sent to you anonymously and the guy doesn't even have the guts to put their name on it. Mr. McCallum said he got called a liar and he didn't do anything. Now you guys are taking action against a guy that has been in the community for his entire life; he doesn't understand this. He wanted to come up and say something positive and he prayed to God that he could. He doesn't want to throw stones but he does want to make sure and clear that Duane Burk has come through our community in so many ways with all kinds of different Council's. He built a police station that everybody said shouldn't be here that started out at \$21 million dollars and then a new Council came in and said \$17 million so he had to change it and he still comes in and gets it done for you. That is the Council; not staff. It came in on time and on budget. We asked him to do so many things in our community with nothing but change, after change, after change and through Council's for whatever reasons. Now we are standing here trying to convict him of something he knows is not the truth. He knows that because of something simple like this.... Duane called him to take his daughter out on a date a few years ago, he is his friend and he owns a limousine service and he would have done it for free; but he got paid for it. There is no question about his integrity but because of new Council and new representatives they are trying to change something. He said he doesn't agree with a lot of things that he has seen happen throughout his years in this city but when there are different developers that have come in Duane has been a guy trying to help sell our city. Have they come, no because it ends up being crap just like what is going on right now. And when a developer comes in to look at our city they go holy crap I want out so they went next door or other places. Duane is trying to sell it. Does he do it the right way all the time, probably not; he has pissed me off over the years also but he does love him because he is a brother and he cares about our city. You really need to evaluate what is going on right now.

David Thornton addressed the Council stating he has live here since 1961 and they have had a family businesses here including the Nelson's from the bulk oil plant, Ed Moss from the Fox Theater across from the barber shop and the Doolittle's. He stated that Duane is a good man. Mr. Thornton said that he also has a business in this town and in his business he has learned that when people talk he listens before he throws his people out or throws them under the bus. He feels that the Council should listen to what people have to say and this excludes Art Welch and Debbie Franklin. You need to listen. This is not a one sheriff, two posse town where you can just do what you want and throw people out. You need to respect Duane and thinks the Council ought to listen to what people have to say. He believes that he would never put his people under the bus and would talk to them first to find out the truth, find out the facts before he would put it out in the public. He said that Duane has done nothing but good stuff for this City and he is respectful and has been around here a long time. He hopes the Council can get together and find out what is going on before throwing people around like that.

Don Smith addressed the Council stating that he has been here for 50 years and has known Duane Burk for 22 years and he is an excellent employee. He said that he is actually here to

thank a lot of City employees and Duane's among them actually. In the wind damage we recently had in town he would like to offer his congratulations to the quick responses of the electric company in keeping the transmission lines up. He said the lights at his office went out for about an hour but they had it right back up again. He thanked the electric company also because they had a tree on Murray Street that was about to either crash into his house or crash into the City's transmission lines but seeing that it was about to topple over the electric company came and got weight off of it so it wouldn't knock over their transmission lines. All of this from that heavy wind all of your City employees did an excellent job. The Saturday after that they had an event in the park "Art in the Park" and the park was a bit windblown with branches down and trash all over the place and he would like to really congratulate Heidi Meraz and her crew because they were there early along with their organization cleaning up the park and picking up the trash so it would show well to the people that went attending the event. They also creatively got some graffiti removal off of a bench. There with words on it that they didn't really want kids coming to their event to see so Heidi and her crew actually were artistic in painting flowers over them with water colors. He would like to thank her and her crew because they did a great job and it was a great event. Mr. Smith said over the last three weekends he went to the Disaster Expo, the Art in the Park and the event at the Gilman Ranch. This Saturday they will have a Flamenco Dancing Concert at 7 p.m. at the Banning Women's Club put on by the Banning Community Fund to raise money for the Banning Community Fund and tickets are \$15.00 and they are still on sale if anyone is interested.

Jim Price, former President of the Banning Pass Little League addressed the Council stating that three years ago he came to the City, specifically to Heidi Meraz with an idea. She got behind it and he has never had such support from anyone as he had from her and her crew and the Council at that time and what they have done for Little League. He said he along with Heidi and another person got this off the ground and it is going really well now thanks in a large part to the positive thinking and ideas that he has gotten from this City. These guys have come to bat and stepped up big time and had a lot of homeruns here and if you don't believe it, just go out and ask 500 kids that play ball at Lions Park in Banning. Every one of them will tell you that. Do we have fields as good as Beaumont, no? We only have one park that they play their games on and they play on three fields. He said that they take advantage of every time frame that they have to play games and make sure that these kids are playing in a good and safe environment. He thanked the City from the bottom of his heart.

Carolyn Johnson addressed the Council stating that she has been a part of this community since 1977. She is deeply grieved over the situations that are going on in this community. She said that she talked to a police officer and he said that she needed to say something to her Mayor. She said her Mayor didn't do anything to put us in peril like we are; she has always been one that helped us. She said what she has seen from observation is that our community has shifted to Sun Lakes; she doesn't like that at all. Our police department has kind of dropped the ball she believes on the way they deal with our community. It is so heart wrenching because she was on a task force that did something about gangs years back put on by the school district and she is just appalled. She loves the way we have come up out of the ashes; she loves Banning with all of her heart and soul. If you are a Sun Lakes resident that is okay with her because everybody has to go somewhere but if you are unhappy here with what is going on and you

want to change it to look like where you came from, she thinks that is very, very wrong. She wanted to let them know that we have a community that is fighting to stay above water.

Tiffany Falcon addressed the Council stating that she was Duane Burk's niece and wanted to let the Council know that he is the best thing that has ever happened to their family and he is the best thing that has ever happened to this City and for as long as this takes, they will have his back.

CORRESPONDENCE – None at this time.

CONSENT ITEMS

Mayor Franklin said that Consent Item No. 5 has been pulled.

1. Approval of Minutes – Special Meeting – 04/21/14

Recommendation: That the minutes of the Special Meeting of April 21, 2014 be approved.

2. Approval of Minutes – Special Meeting – 04/22/14 (*Closed Session*)

Recommendation: That the minutes of the Special Meeting of April 22, 2014 be approved.

3. Approval of Minutes – Regular Meeting – 04/22/14

Recommendation: That the minutes of the Regular Meeting of April 22, 2014 be approved.

4. Accept Grant of Easement from Robert L. Steck and Edith Steck, Husband and Wife as Joint Tenants within Parcel 1/APN 540-063-016, for the 4Kv to 12Kv Conversion Project.

Recommendation: Accept the Grant of Easement from Robert L. Steck and Edith Steck, Husband and Wife as Joint Tenants, Assessor's Parcel Number 540-063-016, for the installation of overhead electric lines within the Robert L. Steck and Edith Steck property (701 N. 4th Street) and direct the City Clerk to accept and record said easement. The parcel is described in the attached Exhibit "A" and Exhibit "B".

6. Resolution No. 2014-29, Approving the National Pollutant Discharge Elimination System Storm Water Discharge Permit Implementation Agreement.

Recommendation: That the City Council adopt Resolution No. 2014-29.

7. Resolution No. 2014-31, Approving the Purchase of Property Located at 215 E. Barbour Street, Banning, California from Pristine Builders, Inc. in an amount not to exceed \$75,500 plus up to \$2,000 paid towards Seller's Closing Costs.

Recommendation: That the City Council adopt Resolution No. 2014-31, approving the purchase of the property located at 215 E. Barbour Street, Banning, California from Pristine Builders, Inc.,

in an amount not to exceed \$75,500 plus up to \$2,000 paid towards Seller's Closing Costs. The acceptance of the city's final offer by Pristine Builders is attached herewith as Exhibit "A".

8. Approval of Accounts Payable and Payroll Warrants for the Month of February 2014

Recommendation: That the City Council review and ratify the following reports per the California Government Code.

9. Approval of Accounts Payable and Payroll Warrants for the Month of March 2014

Recommendation: That the City Council review and ratify the following reports per the California Government Code.

10. Report of Investments for March 2014

Recommendation: That the City Council receive and file the monthly Report of Investments.

Mayor Franklin opened Consent Item 1 through 4 and 6 through 10 for public comments.

Inge Schuler resident of Banning addressed the Council stating that she has made this request for several years or decades occasionally and not all the time. But regarding Consent Item No. 4 when people read your packets and don't get discouraged by the total number of pages that are listed on the top of the download, how do we know where to find the APN: 540-063-016 without addresses listed. It would be so much nicer if an address would be listed so that we have some kind of an idea where to locate these properties. She said that she has said this before that the general public does not know half the time what APN even stands for that it is the Assessor's Parcel Number and that they can go to the County's website and find out the address but that is not the way it should be done. She said that she has always pushed for transparency and she is pushing for it again. So when you put something in the Consent Items or the Resolutions or whatever in addition to listing this mysterious APN you should also insist in putting in the address so people actually know.

Director Mason said that the address is 701 N. Fourth Street. Mayor Franklin said that they will try to remember to make sure that information is added.

Mayor Franklin closed the items for public comments.

Motion Welch/Miller to approve Consent Items 1 through 4 and 6 through 10. Motion carried, all in favor.

5. Resolution No. 2014-24, Awarding an Operation and Maintenance Contract to Artistic Maintenance, Inc. of Lake Forest, California, for a monthly amount of \$5,120.00 for the Operation and Maintenance Services of Landscape Maintenance District ("LMD") No. 1.

Director Burk gave the staff report on this item as contained in the agenda packet. He stated that this District includes around 16 accepted tracks within the city. In the past the City has been

maintaining these areas with Parks Department personnel and it was suggested to go out to get bids which staff did and the lowest responsive responsive bidder is Artistic Maintenance which in the past has done the maintenance for the Landscape Maintenance District before. Staff is recommending the award to Artistic Maintenance.

Councilmember Miller said that this can be renewed for up to four years with a cost of living increase basically and it says it has to be approved by the Council which is fine but he doesn't understand why the cost of living increase is in there since you and all the other City employees have not received a cost of living increase because of the budget of the City. So if we can't afford to pay our police, if we can't afford to pay you a cost of living increase, why is it automatically put into these contracts for outside vendors.

Director Burk said that was just a negotiated part of the contract and if the Council desires not to have it in there, it can be excluded out and meet with Artistic Maintenance. Staff does bring it back to the Council annually so if next year they come to the Council with a CPI, the Council could send them back so it would strictly be up to the Council at that time.

Councilmember Miller said so if they do not want the CPI would it be more appropriate to ask that it be removed now or wait until next year. Director Burk said the CPI would not play in until next year.

Mayor Franklin opened the item for public comments; there were none.

Motion Miller/Welch to approve Consent Item No. 5, adopting Resolution No. 2014-24. Motion carried, all in favor.

REPORTS OF OFFICERS

1. Continuing Decision Regarding Resolution No. 2014-10, Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys until May 27, 2014.
(Staff Report – David Aleshire, City Attorney)

City Attorney said this item was continued from the last City Council meeting. At that point in time it was continued because we were attempting to get a meeting with the County to deal with some of the issues. They were not able to get that meeting with the County however, they began a dialogue with the developer and that led to the suggestion that the hotel wouldn't necessarily be in the initial phase but could be in a later phase of the project. This meeting occurred yesterday and there was intended to be a draft amendment to the Purchase and Sale Agreement and evidently that agreement was sent to their office at 4:30 p.m. today so he has not seen it but he did talk to the developer Art Pearlman and his staff worked to put that agreement together but he has not been able to review at this point in time. The staff recommendation is that this matter be continued for two weeks and that we try to work out the language along the lines that were discussed yesterday and if we can work something out then the intent would be to go forward with the street vacation. But the recommendation right now is to continue for two weeks. He said that we started late because he was talking to Mr. Pearlman to let me know of that intent and he is not happy about it

and was hoping to have the vacation approved tonight but from a staff standpoint that is where we are at.

Mayor Franklin said we need to decide whether or not to continue the continuation and she directed her comment to the City Attorney saying now he is now in the middle of discussions with the developer.

City Attorney said that he believes that Councilmember Peterson has a conflict and should have left the dais. At this time Councilmember Peterson left the room.

City Attorney said the developer would like the vacation acted upon. They had a very positive discussion yesterday and since he has not been able to read the amendment he can't tell the Council if whether the language is along the lines that was discussed or not. So the staff intent was that we continue it for two weeks and work with the developer and see if they can get this amendment in a final form.

Mayor Franklin offered another suggestion stating that depending on how late the meeting runs whether or not we could take a recess and continue this item to further down the agenda and take a recess and see if that is something you are able to work out or if it is better to continue it.

City Attorney said he would do whatever is instructed but in theory they would need to have some dialogue with the attorney.

Councilmember Miller said he was at that meeting and felt it went very well and thinks we will reach an agreement with the developer to proceed. But to ask our attorney to develop a legal document over the telephone is asking too much. We certainly want any legal document to be done carefully, evaluated carefully and to ask anyone to get such a contract or agreement in less than a week he thinks is asking too much.

Councilmember Welch said he certainly wants to see this thing moved forward as quickly as we can however, he doesn't want to make any quick decision here and both parties end up being unhappy with it. He knows that the developer is unhappy now because of all the time they have taken to move this thing along but he wants to make sure it is done properly and he would have to go along with Councilman Miller on this one.

Councilmember Westholder read a statement as follows: "I too love this city and as many of you know I recently spoke my mind publicly expressing my grave concerns about County Probation Department and the lease for Paseo San Gorgonio Project. Many citizens have supported me on this issue. I have since been advised that the attorneys for the developer have requested that I recuse myself from any further vote on the project because of the views I expressed publically. In order not to expose the City to litigation the City Attorney suggested that I comply with the developer's request. Nevertheless I personally feel that I can make the right decision in this matter and I do not have a conflict of interest. However, in the abundance of caution I have decided to follow the City Attorney's advice and will recuse myself from this issue."

Mayor Franklin asked that if we are not ready to discuss it further tonight, she does believe that we have the option of having a special meeting if necessary between now and the next two weeks if we are able to come to an agreement.

City Attorney said the Council can call a special meeting to discuss whatever is on the special meeting agenda on a 24-hour notice.

There was some further Council discussion about having a special meeting. Mayor Franklin said I think we have a consensus that if we are able to through the attorneys work out an agreement, that we are available for a special called meeting; so we will continue it to sometime.

City Attorney said you should continue it to your next meeting but with the idea that you could do a special meeting unless you want to come up with another date.

Mayor Franklin said no later than the next meeting and hopefully we can get it worked out before then.

Councilmember Peterson returned to Council Meeting.

2. Planning Commission Appointment
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar gave the staff report as contained in the agenda packet. She stated that there are currently two positions vacant on the Planning Commission due to the resignations of Harold Barsh who served the Commission for about 18 years and Buddy Hawkins who served on the Commission for a little over 7 years. Staff received two applications before the application deadline and Council interviewed the candidates on April 21, 2014 and staff is recommending the appointment of two commissioners. The applicants were Jim Price and Ray Briant.

Councilmember Westholder said that he missed the meeting held on April 21st and will abstain from voting.

There was some Council discussion regarding the number of vacancies on the Commission and applicants on file.

Mayor Franklin opened the item for public comments; there were none.

Motion Welch/Miller that James Lee Price and Ray Briant be appointed to the Banning Planning Commission. Motion carried, with Councilmember Westholder abstaining.

Mayor Franklin said that these appointments will be to fill the unexpired terms of the commissioners that they are replacing. Also we have talked to staff about making sure that they get training within three months, as well as, maybe coming back with some modifications for our Planning Commission requirements at a future date so that we are a little more inclusive of the things that we would like our Planning Commissioners to be able to do.

3. Resolution No. 2014-18, Approving the Agreement for Consultant Services Between the City of Banning and Leidos Engineering, LLC
(Staff Report - Fred Mason, Electric Utility Director)

Director Mason gave the staff report on this item as contained in the agenda packet and also gave a power point presentation giving some background in detail on the RFP (Request for Proposals), the RFP Process, and final analysis (see Exhibit "A"). He said that the goal is to have all projects completed by December 31, 2016. Staff recommends approval of Resolution No. 2014-18.

There were some Council questions in regards to the information supplied from TTG Engineers and the voltage at the airport substation. Councilmember Miller asked for a brief summary of the power grid from the voltage of the transmission lines and Director Mason gave that explanation.

Councilmember Miller said in regards to the proposal itself when it comes to engineering work the lowest bid does not need to be taken. Director Mason said that was correct.

Councilmember Peterson asked in regards to the name change to Leidos Engineering formerly RW Beck is that due to any insolvency or mergers. Director Mason said just mergers.

Mayor Franklin asked if there were any public comments; there were none.

Motion Welch/Peterson that the City Council adopt Resolution No. 2014-18, Approving the Agreement for Consultant Services between the City of Banning and Leidos Engineering, LLC (formerly RW Beck) for a period of three years, attached herewith as Exhibit "A" in the amount not to exceed \$720,000.00. Motion carried, all in favor.

4. Resolution No. 2014-19, Awarding the Construction Contract for Project No. 2014-02 EL Downtown Underground Project - Phase 3 and Rejecting All Other Bids.
(Staff Report - Fred Mason, Electric Utility Director)

Director Mason gave the staff report on this item as contained in the agenda packet. He said that this would complete the downtown underground and decorative lights on Ramsey from 8th Street to Hargrave and from Williams to Livingston.

Councilmember Westholder commended staff on putting this all together in a long range process that will save money.

Mayor Franklin asked if there were any public comments; there were none.

Motion Welch/Peterson that the City Council: 1) Adopt Resolution No. 2014-19, Awarding the Construction Contract for Project No. 2014-02EL, Downtown Underground Project – Phase 3 to Southern California West Coast Electric, Inc., of Beaumont, California, in the amount not to exceed \$1,203,845.00 including taxes and allowing a 10% contingency of \$120,384.50 and Rejecting All Other Bids; and 2) Authorizing the Administrative Services Director to make the necessary budget

adjustments, appropriations, and transfers to fund this project and to approve change orders within the 10% contingency of \$120,384.50. Motion carried, all in favor.

5. Rancho San Gorgonio Deposit Reimbursement Agreement
(Staff Report – David Aleshire, City Attorney)

City Attorney gave the staff report on this item as contained in the agenda packet. He stated that the developer, Rancho San Gorgonio, is undertaking a major project and as a part of that project they are required to undertake a number of studies. There will be a development agreement and various contracts that the City will need to utilize the City Attorney's office. Under CEQA (California Environmental Quality Act) law all of these studies are required to be independent so the City needs to contract for the consultants to perform the studies. The City does not have the funding to pay for all of this so normally what is required is that the developer has to put up a deposit and to pay the expense of undertaking all of these various studies. He said one of the ways this is accomplished is through having a Deposit and Reimbursement Agreement and he gave a summary of the agreement between the City and the Developer going over the critical aspects of the deposit agreement.

Mayor Franklin said the question came up before from the audience about the application and whether or not we could start on this process before the application is complete and is the application complete.

City Attorney said when the application is complete then there is a set of deadlines so it is very important to make sure your application is complete so you don't prematurely start all of that. He asked Director Abu Bakar if the application was complete and she stated that it is complete. He said staff has determined that we have a complete application.

Mayor Franklin opened the item for public comments; there were none.

Motion Peterson/Westholder that the City Council adopt Resolution No. 2014-28, approving the Deposit Reimbursement Agreement with Rancho San Gorgonio, LLC. Motion carried, all in favor.

ANNOUNCEMENTS/REPORTS (Upcoming Events/Other Items if any)

City Council

Mayor Franklin –

- She thanked all of City staff for all the work that was done to make our 9th Annual Disaster Preparedness Expo a success and the fact that they were able to combine it this year with the Community Health Fair made it a lot more enticing to the public. She thanked each staff department especially Public Works, Community Services, Water Department and the Electric Department; everybody helped to make this happen. She said a special thank you to the LDS Church because they brought in 150 volunteers that day. We not only had the expo, health fair and also had the Playhouse Bowl painted, as well as, the trash receptacles and the stake

park facility area. There were approximately 800 to 900 people in attendance considering the weather that day.

- She attended the SCAG (Southern California Association of Governments) General Assembly a couple of weeks ago and the topic was transportation and technology. Basically what they did talk about was things as we know it for transportation and for technology are no longer the norm. We need to start looking at alternative means of transportation because that is what the upcoming generations are doing and technology is going to be used in a different manner so we need to prepare for the future.
- There was no applicable action for our City in regards to the Riverside Conservation Authority.
- In regards to the Western Riverside Council of Governments (WRCOG) there was a presentation by the Superintendent of Schools for Riverside County and unfortunately the city of Banning is not faring well when they ranked all the different areas regarding the schools performance.
- Passcom will have a CERT (Community Emergency Response Training) Class in June the weekend of June 20, 21, 22 and it is open to the public for anyone that wants to attend and it will be held at Serrano Del Vista. If you are interested in signing up, please call 951-955-4700 (Office of Emergency Services).
- Last night she and Mayor Pro Tem Welch attended the League of California Cities Division Meeting and the topic was the Salton Sea. They talked about the impacts of the Salton Sea and how much it is going to cost whether they decide to get rid of it which could be up to a billion dollars or whether or not they try in some way to fix it and that could be anywhere from 4 to 9 billion dollars. They have actually been working on this from 75 to 100 years so far and to come to a resolution it may take another 30 to 50 years. As a City we need to be aware of this because there are impacts of what is happening with the Salton Sea on our community. It is impacting everything from health issues to economic issues.

Mayor Pro Tem Welch –

- He said that he thinks we would be remiss if we didn't invite all of the audience here tonight to walk around this room and look at the outstanding art work that has been done by our children at the high school level. We have some really talented artists and architects coming into our future. This was the result of the art show at the Date Festival.

City Committee Reports - None

Report by City Attorney – Nothing to report at this time.

Report by City Manager – Interim City Manager said that the Electric and Public Works Department Directors will give a report on what was done during the wind storm and the results that ensued after that and the response.

- Director Burk reported that there were 75 to 85 mph winds and there were around 100 trees that had fallen and 18 good size trees completely gone. The roof of the fire station blew off but it was put back on before it rained. A couple of the buildings at the airport were lost with hangars blown away and doors on Hathaway Street and they were picked up and fixed. There was a sand storm on Hathaway Street and hopefully they will get done cleaning that up and get it finalized in the LMD (Landscape Maintenance District) area. There was one noted issue

that maybe we should not put bark in the medians. He wanted to go on record that he thinks at one time that was a really good idea but the fire department is probably frustrated with the City. They will get that cleaned up and they did have another fire out there. Primarily that is dry bark as a result of the Bark Beetle and we got that mulch for free but obviously it caused a problem during the wind and the fire event.

- Director Mason reported that the crews and office staff did an excellent job. The phones were ringing off the hook from people with calls on various issues. Over the two-day period they had 25 calls where people had lines down; 20 calls with trees in lines and there was a small fire on 8th Street due to some trees getting into the lines; and 9 poles that actually split/broke. The guys worked very, very diligently and most outages were back up within an hour. There was one outage that actually lasted about four hours from approximately 5 to 9 p.m. The crews did a great job in getting the lines back up and keeping power on. We have excellent crews working for us.

Mayor Franklin said we have excellent crews and also the police department was out checking the streets. Thank you to all the departments for working us through this event.

ITEMS FOR FUTURE AGENDAS

New Items – There were none.

Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Discussion on how to handle loans or distributions to charities.
3. Discussion on how the City Council handles donations to the City.
4. Grocery Cart Policy
5. Workshop to discuss the future of the airport.
6. Discussion regarding Public Works Committee and Ad Hoc Committees
7. Discussion regarding City's ordinance dealing with sex offenders and child offenders
8. Discussion to move "Announcements" (events) up on the agenda after Public Comments.
9. Discussion regarding the discretionary limit of \$25,000.
10. Discussion regarding flex scheduling to keep city hall open five days a week.

There were no changes to the pending items.

ADJOURNMENT

By common consent the meeting adjourned at 6:31 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

City of Banning Electric Department

Engineering Services Agreement Capital Projects

Background

- The Electric Utility has multiple capital projects requiring engineering services
 - 4kV to 12kV Conversion
 - Upgrade/rebuild Alola Substation
 - Upgrade/rebuild Airport Substation
 - Improvements at Midway Substation
 - Extension of circuits out of Sunset Substation
- Use of one engineering firm to provide services on all projects is the most effective

RFP Process

- Advertised RFP in multiple forums
- Six engineering firms attended the mandatory pre-bid meeting and job tour
- Three firms submitted bids
 - Leidos Engineering, LLC
 - Power Engineers, Inc.
 - TTG Engineers
- Utility Review Panel evaluated bid proposals

RFP Process (cont.)

- Bids were evaluated on the following:
 - Engineering/Project Management experience
 - Qualifications and resumes
 - References for similar projects
 - Responsiveness to the RFP
 - Knowledge of applicable codes and procedures
 - Approach to the Scope of Work
 - Schedule of Fees and Hourly Charges

RFP Process (cont.)

- Leidos Engineering (previously SAIC and RW Beck) was selected as the most qualified firm
 - Significant experience overall, with many projects completed previously for Banning
 - Overall qualifications of project personnel is outstanding
 - Excellent references for similar projects
 - Higher overall quality is reflected in their average hourly rate being 11% higher than Power Engineers' rates

Final Analysis

- \$14 Million in Electric Bond proceeds remain and must be spent expeditiously
- Proposed agreement is for three years, covers all engineering services for the five remaining projects, and is not-to-exceed \$720,000
- Construction portion of each project will be bid separately
- All projects to be completed by 12/31/2016

Recommendation

- Staff recommends City Council approval of Resolution 2014-18 for a three year consulting services agreement between the City of Banning and Leidos Engineering, LLC in an amount not-to-exceed \$720,000

CITY COUNCIL AGENDA

Date: May 27, 2014

TO: City Council

FROM: June Overholt, Administrative Services Director/Deputy City Manager

SUBJECT: Report of Investments for April 2014

RECOMMENDATION: The City Council receive and file the monthly *Report of Investments*.

JUSTIFICATION: State law requires that a monthly report of investments be submitted to the Governing Legislative Body.

BACKGROUND/ANALYSIS: This report includes investments on hand at the end of April 2014. As of April 30, 2014, the City's operating funds totaled \$71,291,260. Included in Successor Agency operating funds is \$744,750 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of April 30, 2014 approximately 39% of the City's unrestricted cash balances were invested in investments other than LAIF.

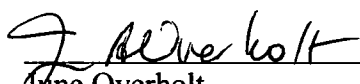
The April Investment Report includes the following documents:

- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Supplemental Information

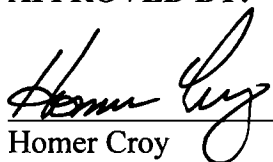
Staff is reviewing the strategy for utilizing an investment advisor with the Budget & Finance Council Sub-committee. Preliminary review indicates this approach may not be cost effective or provide the return on investment expected.

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) was decreased to 0.233% in April. The average rate for all investments in April was 0.405%.

RECOMMENDED BY:


June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:


Homer Croy
Interim-City Manager

Summary Schedule of Cash and Investments**Operating Funds**Petty CashAmount

3,705

Bank Accounts

Wells Fargo Bank

Interest

RateAmount

Bank of America-Airport

0.000%

567,251

Bank of America-Parking Citations

0.300%

7,778

Bank of America-CNG Station

0.300%

3,404

0.300%

5,828*Money Market and Bank Account Sub-Total*

584,262

Government Pools

Account #1 Operating Amount

40,815,173

Account #1 CRA Bond Cash Bal.

744,750

Local Agency Investment Fund: Account #1

0.233%

41,559,923

Account #2 Sucessor Agency Cash Bal

0

Local Agency Investment Fund: Account #2

0.233%

0*Government Pool Sub-Total*41,559,923**Operating Cash Balance****42,147,890**Restricted Operating Funds

Riverside Public Utilities- Highmark U.S. Government Money Market Fund

0.010%

1,276,715

California ISO Corp- Union Bank

100,166

Worker's Compensation Program- (PERMA)

1,987,550

Other Investments

Investments-US Bank/Piper Jaffray - See Page 2

0.691%

25,778,938

*Operating Funds Total*71,291,260**Fiscal Agent**

US Bank

Amount36,506,893*Fiscal Agent Total*36,506,893

City of Banning Investment Report

April 30, 2014

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Date	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
567,251	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	567,251	n/a	567,251
-	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	-	n/a	-
7,778	Bank of America-Airport	n/a	0.30%	daily	varies	7,778	n/a	7,778
3,404	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,404	n/a	3,404
5,828	Bank of America-Parking Citations	n/a	0.30%	daily	varies	5,828	n/a	5,828
Sub-total								584,262
<u>Government Pools</u>								
41,559,923	L.A.I.F. account #1	n/a	0.233%	daily	varies	41,559,923	n/a	41,559,923
0	L.A.I.F. account #2	n/a	0.233%	daily	varies	0	n/a	0
								41,559,923
<u>Investments-US Bank/Piper Jaffray</u>								
3,000,000	Federal Home Loan Bks	n/a	0.500%	4/11/2016	4/11/2013	3,000,000		3,002,070
1,000,000	FHLMC Mtn	n/a	0.570%	6/20/2016	6/6/2013	1,000,000		999,360
1,000,000	FNMA	n/a	0.750%	12/19/2016	6/19/2013	1,000,000		998,950
1,000,000	FNMA Deb	n/a	0.550%	6/6/2016	6/20/2013	1,000,000		999,970
3,000,000	FNMA	n/a	1.125%	1/30/2017	7/30/2013	3,000,000		3,006,540
3,000,000	Federal Farm Credits Bks	n/a	0.940%	7/15/2016	7/15/2013	3,000,000		3,003,780
2,000,000	FHLMC Mtn	n/a	0.250%	6/24/2016	12/24/2013	2,000,000		2,000,500
2,000,000	FHLMC Mtn	n/a	0.500%	6/27/2016	12/27/2013	2,000,000		1,998,780
2,000,000	FHLMC Mtn	n/a	0.750%	12/27/2016	12/27/2013	2,000,000		1,995,580
2,000,000	Federal Home Loan Bks	n/a	0.700%	12/27/2016	3/27/2014	2,000,000		1,998,740
2,000,000	Federal Home Loan Bks	n/a	0.900%	3/27/2017	3/27/2014	2,000,000		1,999,340
2,000,000	Federal Home Loan Bks	n/a	0.500%	7/15/2016	4/15/2014	2,000,000		1,997,080
1,000,000	Federal Home Loan Bks	n/a	1.050%	4/17/2017	4/17/2014	1,000,000		999,410
778,838	Money Market	n/a	0.010%	daily	varies	778,838	0	778,838
US Bank/Piper Jaffray Average Rate=			0.691%					
								25,778,938

Average Rate All= 0.405%

It has been verified that this investment portfolio is in conformity with the City of Banning's investment policy which was approved by the City Council on September 24, 2013. The Treasurer's cash management program provides sufficient liquidity to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 323 days and does not include Bond Reserve Fund Investments.

City of Banning Investment Report
Individual Investments with Fiscal Agent

April 30, 2014

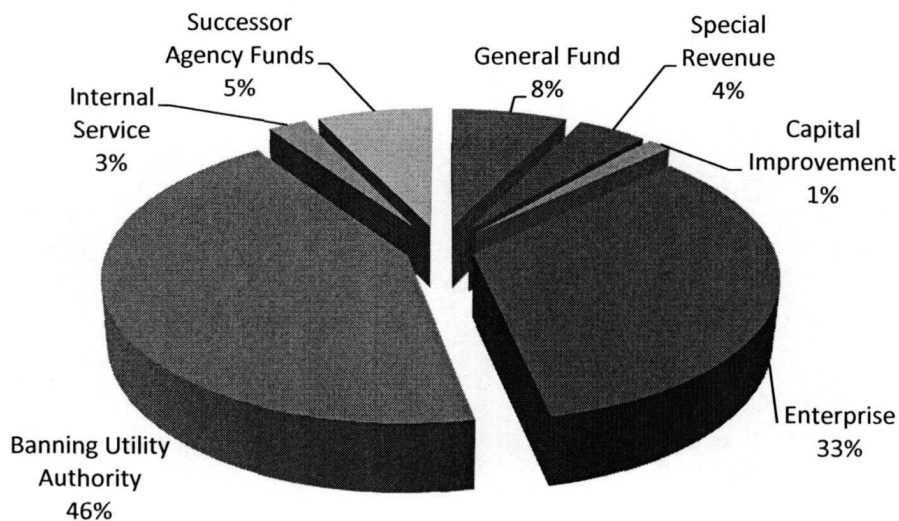
TRUSTEE	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Bond Maturity Date	Minimum Reserve Requirement	Apr-14	4/30/2014 Market Value
Bond Issue Description							
COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A							
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 5-Ct	0.030%	daily	188,943	5.71	220,564
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003							
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	4.61%	7/28/2011	971,763		991,940
		US Bank Mmkt 5-Ct	0.030%	daily		0.24	9,544
		US Bank Mmkt 5-Ct	0.000%	daily			0
Surplus Fund		US Bank Mmkt 5-Ct	0.000%	daily			12
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007							
Redevelop Fund	2037	US Bank Mmkt 5-Ct	0.030%	daily		212.27	8,331,409
		US Bank Mmkt 5-Ct	0.000%	daily			10
Reserve Fund		US Bank Mmkt 5-Ct	0.030%	daily	1,880,751	47.78	1,875,381
Special Fund		US Bank Mmkt 5-Ct	0.000%	daily			1
Surplus Fund		US Bank Mmkt 5-Ct	0.000%	daily			11
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES							
Interest Account		US Bank Mmkt 5-Ct	0.030%	daily			19,724
Principal Account		US Bank Mmkt 5-Ct	0.000%	daily			4
		US Bank Mmkt 5-Ct	0.030%	daily		83.96	3,295,348
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES							
Interest Account		US Bank Mmkt 5-Ct	0.030%	daily			1,155,349
Principal Account		US Bank Mmkt 5-Ct	0.050%	daily			20
Reserve Fund		US Bank Mmkt 5-Ct	0.030%	daily	2,310,710	58.88	2,311,141
Project Fund		US Bank Mmkt 5-Ct	0.030%	daily		36.87	1,601,962
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES							
		US Bank Mmkt 5-Ct	0.000%	daily			13
		US Bank Mmkt 5-Ct	0.030%	daily	2,672,050	68.09	2,672,450
Acquisition & Construction		US Bank Mmkt 5-Ct	0.030%	daily		322.68	14,022,009
*Paid Semi-Annually-Deposited into Money Mkt Account				Total		836.48	36,506,893

City of Banning

Investment Report Supplemental Information

Pooled Cash Distribution

Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the twelve month period of April 2013 to March 2014. *(The percentages will be updated quarterly.)*



The Table below describes the funds that are included within the Fund Types used for the pie chart.

Fund Type	Description of funds
Governmental	General Fund
Special Revenue	Restricted Funds (i.e. CFDs, grants)
Capital Improvement	Development Impact Fee funds
Enterprise	Airport, Transit, Refuse, Electric
Banning Utility Authority	Water, Wastewater, Reclaimed water
Internal Service	Risk Management, Fleet, IT, Utility Services
Successor Agency Funds	Previously called Redevelopment Agency

Summary Schedule – Line item descriptions

Petty Cash–

The City maintains petty cash in various departments for incidental purchases. This line item includes the cash drawers for cashiering in utility billing.

Bank Accounts –

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings.
- Bank of America – Airport – The City maintains a Trust account for credit card purchases made at the airport. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – Parking Citations – The City maintains a Trust account for the processing of parking citations through Turbo Data. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – CNG – The City maintains a Trust account for credit card purchases of CNG fuel made at the City yards. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.

Government Pools –

- Local Agency investment Fund – Account #1
 - This account includes both City pooled funds and a restricted cash balance related to the CRA bonds. Investments in LAIF are limited to \$50M.
- Local Agency investment Fund – Account #2
 - There is currently no balance in this account.
 - Note: When the State established the cutoff date of January 31, 2012 for the elimination of the Redevelopment Agency, LAIF staff recommended a transfer of the available balance from the CRA account to the City account to protect the funds from a rumored State raid or freezing of the funds.

Restricted Operating Funds at Riverside Public Utilities –

The City Electric operation has an agreement with Riverside Public Utilities (RPU) to purchase power for the City. Part of the agreement requires that the City maintain a balance in the trust account used by RPU. The City does not control the investments or earnings of the trust account.

Restricted Operating Funds at California ISO-

The California ISO facilitates the purchase and sale of the City's electricity. The City participates in periodic Congestion Revenue Rights (CRR) auctions to acquire financial hedges for transmission congestion. In order to participate in the CRR auctions the City was required to have a secured form of financial security in the amount of \$100,000. A cash deposit was placed with Union Bank in March, 2012 to meet the requirements. The account is an interest bearing collateral account.

Summary Schedule – Line item descriptions – Cont.

Restricted Operating Funds at PERMA-

The City participates in a JPA with the Public Entity Risk Management Authority (PERMA), who provides administration for the City's worker's compensation insurance program. PERMA requires the City to deposit funds into an account used by PERMA for the payment of worker's compensation claims. The City does not control the investments or earnings of this account.

Other Investments –

Currently the City works with a Piper Jaffray broker to make various investments per the City policy and in accordance with State guidelines. The Broker is not on retainer, nor do they receive a City paid fee with each investment. Funds in the Money Market fluctuate as securities mature or get called. Staff is in the process of investing the Money Market funds over several months. We will be adding an additional broker to provide more investment options.

Fiscal Agent / US Bank –

Unspent bond proceeds and required bond reserves are invested by the Fiscal Agent in accordance with the bond documents.

CITY COUNCIL AGENDA

Date: May 27, 2014
TO: City Council
FROM: June Overholt, Administrative Services Director
SUBJECT: Approval of Accounts Payable and Payroll Warrants for Month of April 2014

RECOMMENDATION: The City Council review and ratify the following reports per the California Government Code.

FISCAL DATA: The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of April 2014.

~ The reports are:

Expenditure approval lists

April 5, 2014	341,758.32
April 12, 2014	237,832.05
April 17, 2014	387,793.53
April 24, 2014	906,157.47
May 20, 2014	3,235,120.85 (April Month End)

Payroll check registers

April 4, 2014	4,685.22
April 18, 2014	7,878.63


Payroll direct deposits*

April 4, 2014	286,412.00
April 18, 2014	262,581.08

As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.


Report Prepared by: Jenna Harrell, Accounts Payable

RECOMMENDED BY:



June Overholt
Administrative Services Director

APPROVED BY:



Homer Croy
Interim City Manager

CITY of BANNING

Fund/Department Legend

Fund/Department Legend

001 General Fund Departments

0001 – General
 1000 – City Council
 1200 – City Manager
 1300 – Human Resources
 1400 – City Clerk
 1500 – Elections
 1800 – City Attorney
 1900 – Fiscal Services
 1910 – Purchasing & A/P
 2060 – TV Government Access
 2200 – Police
 2210 – Dispatch
 2279 – TASIN – SB621 (Police)
 2300 – Animal Control
 2400 – Fire
 2479 – TASIN – SB621 (Fire)
 2700 – Building Safety
 2740 – Code Enforcement
 2800 – Planning
 3000 – Engineering
 3200 – Building Maintenance
 3600 – Parks
 4000 – Recreation
 4010 – Aquatics
 4050 – Senior Center
 4060 – Sr. Center Advisory Board
 4500 – Central Services
 4800 – Debt Service
 5400 – Community Enhancement

All Other Funds

002 – Developer Deposit Fund
 003 – Riverside County MOU
 100 – Gas Tax Street Fund
 101 – Measure A Street Fund
 103 – SB 300 Street Fund
 104 – Article 3 Sidewalk Fund
 110 – CDBG Fund
 111 – Landscape Maintenance
 132 – Air Quality Improvement Fund
 140 – Asset Forfeiture/Police Fund
 148 – Supplemental Law Enforcement
 149 – Public Safety Sales Tax Fund
 150 – State Park Bond Fund
 190 – Housing Authority Fund
 200 – Special Donation Fund
 201 – Sr. Center Activities Fund
 202 – Animal Control Reserve Fund
 203 – Police Volunteer Fund

204 – D.A.R.E. Donation Fund
 300 – City Administration COP Debt Service
 360 – Sun Lakes CFD #86-1
 365 – Wilson Street #91-1 Assessment Debt
 370 – Area Police Computer Fund
 375 – Fair Oaks #2004-01 Assessment Debt
 376 – Cameo Homes
 400 – Police Facilities Development
 410 – Fire Facilities Development
 420 – Traffic Control Facility Fund
 421 – Ramsey/Highland Home Road Signal
 430 – General Facilities Fund
 441 – Sunset Grade Separation Fund
 444 – Wilson Median Fund
 451 – Park Development Fund
 470 – Capital Improvement Fund
 475 – Fair Oaks #2004-01 Assessment District
 600 – Airport Fund
 610 – Transit Fund
 660 – Water Fund
 661 – Water Capital Facilities
 662 – Irrigation Water Fund
 663 – BUA Water Capital Project Fund
 669 – BUA Water Debt Service Fund
 670 – Electric Fund
 672 – Rate Stability Fund
 673 – Electric Improvement Fund
 674 – '07 Electric Revenue Bond Project Fund
 675 – Public Benefit Fund
 678 – '07 Electric Revenue Bond Debt Service Fund
 680 – Wastewater Fund
 681 – Wastewater Capital Facility Fund
 682 – Wastewater Tertiary
 683 – BUA Wastewater Capital Project Fund
 685 – State Revolving Loan Fund
 689 – BUA Wastewater Debt Service Fund
 690 – Refuse Fund
 700 – Risk Management Fund
 702 – Fleet Maintenance
 703 – Information Systems Services
 761 – Utility Billing Administration
 805 – Redevelopment Obligation Retirement Fund
 810 – Successor Housing Agency
 830 – Debt Service Fund
 850 – Successor Agency
 855 – 2007 TABS Bond Proceeds
 856 – 2003 TABS Bond Proceeds
 857 – 2003 TABS Bond Proceeds Low/Mod
 860 – Project Fund

**CITY COUNCIL AGENDA
CONSENT ITEM**

Date: May 27, 2014

TO: City Council

FROM: Alex Diaz, Interim Chief of Police

SUBJECT: Sole Source Purchase from Kustom Signals, Inc. to upgrade patrol car cameras.

RECOMMENDATION: “Review and approve the Police Department’s request to purchase nine (9) Digital Eyewitness G3 Vision patrol car camera systems from Kustom Signals, Inc., as a sole source provider, in the amount of \$48,848.04.”

JUSTIFICATION & BACKGROUND: The Banning Police Department outfits each patrol unit with an in-car camera system manufactured by Kustom Signals, Inc. The six (6) newest units have been equipped with Digital Eyewitness G3 Vision camera systems.

In 2008, the department upgraded all of its patrol car cameras from a VHS recording platform to a digital hard drive recording platform, with the Ion Eclipse camera system. When vehicles are parked at the station, video recordings are securely transferred wirelessly, through Kustom Signals’ Digital Eyewitness Media Manager Software (DEMMS), onto a server located in the department’s evidence room, where they are downloaded and stored onto a computer hard drive and DVD for evidentiary purposes.

Presently, the department has nine (9) patrol units still in service with the Ion Eclipse cameras. Over the past six years these cameras have recorded thousands of hours of activity while being exposed to the elements experienced in a patrol vehicle, such as extreme heat, cold, and dust due to the wind. During the past year, the department has experienced difficulties with these older systems sporadically failing to record officer involved activity. Additionally, some of the push buttons controlling the cameras in the vehicles have become worn and non-responsive, thereby limiting the officers’ use of the cameras. As time goes by continued problems with these older systems are expected due to their years in service and extensive use.

The proposed replacement camera system provides an enhanced microphone recording range, greater video resolution, digital zoom capabilities, and smaller cameras. The backseat camera has been upgraded to allow for infrared recordings with a greater recording area. Additionally, the camera monitor and controls have been integrated into the rear view mirror, which minimizes the obstruction to the officer’s field of view.


The sole source purchase request is based on the compatibility of the Digital Eyewitness G3 Vision Camera with the Kustom Signals, Inc. DEMMS system already in use at the department. Because the combined systems are proprietary to Kustom Signals, Inc., there are no other vendors capable of bidding on the project unless the department was entertaining the idea of

replacing every patrol vehicle camera and the DEMMS system, which would dramatically increase the cost.

STRATEGIC PLAN INTEGRATION: Council approval of this recommendation is consistent with the City's strategic plan of providing quality public safety for its citizens.

FISCAL DATA: Funding for the nine (9) cameras is currently available with fund balances from the 2012 and 2013 Supplemental Law Enforcement Services Fund, respectively approved by the City Council for this type of purchase on December 13, 2011 and January 22, 2013. Subsequently, no general funds are required for this purchase. The Finance Department is authorized to make the necessary budget adjustments related to these funds

RECOMMENDED BY:


Alex Dietz
Interim Chief of Police

REVIEWED BY:


June Overholt
Administrative Services Director

APPROVED BY:


Homer Croy
Interim City Manager



KUSTOM SIGNALS, INC.

9652 Loiret Blvd, Lenexa, KS 66219-2406
913-492-1400 Fax 913-492-1703
sales@kustomsignals.com www.kustomsignals.com

Quotation

Date April 30, 2014

To... Lt. Holder
BANNING POLICE DEPT
PO BOX 1177
321 W RAMSEY
BANNING CA 92220-0008

Quote # 2113999979428PC
Terms Net 30
This Quote Expires on June 18, 2014
Phone 951-922-3170
Fax 951-922-3158

Qty	Product Description	UnitPrice	SubTotal
9	G3 VISION VALUE PACKAGE: 64GB SOLID STATE DRIVE, FRONT ZOOM CAMERA w/40:1 ZOOM, MIRROR/MONITOR/CONTROLLER, SIMULTANEOUS RECORD, 2.4GHz EXPANSE WIRELESS AUDIO, GPS, REAR CAM, CRASH RECORD ACTIVATION, IN-CAR MIC, ALL CABLES & MOUNTING BRACKETS	\$4,695.00	\$42,255.00
9	G3 AND G3 VISION WIRELESS PACKAGE INCLUDES WIRELESS COMPONENTS, MENU SECURITY, IGNITION MOD, AND DELAY POWER OFF	\$262.00	\$2,358.00
9	SHIPPING & HANDLING COSTS	\$74.00	\$666.00
9	CA SALES TAX (Riverside County) 8%	\$396.56	\$3,569.04

Installation not included.

*****ADDITIONAL DISCOUNTS MAY BE AVAILABLE FOR ION ECLIPSE BOXES***

*****UP TO \$250 EACH... PLEASE CALL TO REVIEW.

Total \$48,848.04

Interested in a lease-to-own option? Contact Kustom Signals today at 800-458-7866 or cremy@kustomsignals.com for a detailed quote and to lock in a rate. Benefits of Leasing:

- Flexible repayment terms structured to meet your budget
- Significantly faster, less complicated and less expensive than other forms of public debt
- 100% financing and immediate ownership of equipment
- Municipal leasing is cash flow friendly

Signature

Chuck Ramsey

If applicable sales tax not included, sales and/or freight could be subject to current rates based on your State, County, or City requirements. Seller may charge Buyer a 25% restocking fee.

Toll Free 800-4KUSTOM (800-458-7866)

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Digital Eyewitness G3 Vision



G3 Vision provides the reliability you demand with intuitive user interfaces and the peace of mind knowing it's backed by Kustom Signals.

Choice of Controllers

- Mirror Monitor Controller (MMC)
- Interface to your MDC
- Dual control: MMC and MDC
- Requires no extra space in your patrol car



Camera Features

Front Color Camera

- Small unobtrusive profile
- 120X total zoom (10X optical, 12X digital)
- Excellent sensitivity and low distortion
- Front LED record/mic indicator

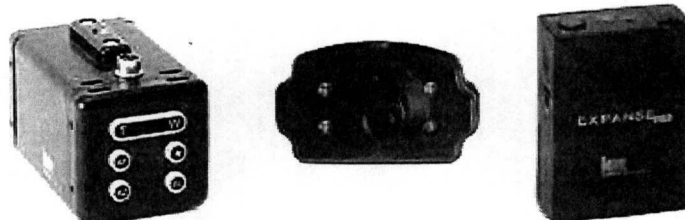
Rear Seat/Prisoner Camera

- Include lookback buffer, up to 3 minutes
- Small profile: 2 1/2" X 1 3/8" X 3/4"
- Auto-switch between color and black/white
- B/W with IR for near zero lux
- 90° angle of view



ExpanseDSS Mic

- 2,500 ft (0.5 mile) operating range
- 15 hours of talk time



Secure, Easy to Use

- Media locks in DVR, files cannot be overwritten
- File authentication: MD5 and digital watermark
- Hands-free: record triggers, audio transmit/mute, file transfers, system power

Superior reliability

Intuitive user interface

Captures evidence others can't

Digital Eyewitness G3 Vision



G3 Vision: Standard System Includes

- Controller: MMC or interface to your MDC
- Front zoom camera
- Expanse wireless audio
- Hard wired in-car mic
- DVR with Solid State Drive or Compact Flash media
- Superior performance in temp extremes: -22°F to +185°F (-30°C to +85°C)
- Free software upgrades for the life of the product

Value Package: Bundle and Save

- Rear seat/prisoner camera
- Crash record activation
- GPS: coordinate system clocks across the fleet, bookmark important incidents, record trigger

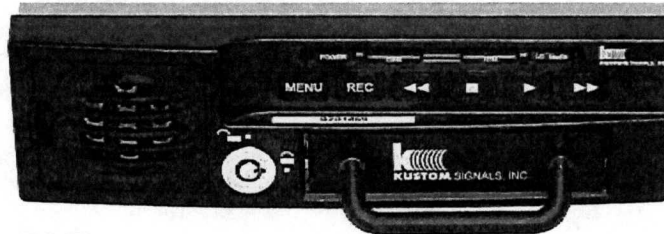
Options

- Rear seat/prisoner camera (with IR for recording inside the vehicle)
- Mini day/night camera (no IR - for recording through rear or side windows)
- Crash record activation
- GPS interface
- Post event recording
- Dual Control: mirror and interface to MDC
- Menu Security : control access to system's set-up menu
- Wired or wireless file transfer
- Control power with vehicle ignition: no interaction required to turn on/off system
- Delay power off: shuts off automatically (e.g. after file transfers)
- Interface with Kustom Signals radar or ALPR

Supports 4-camera simultaneous recording



DVR with secure media



DVR

- Compression: H.264
- Video: four channels - all at 720 X 480 resolution, 30 fps.
- Audio: 2 channels - record up to three audio sources on all 4 video channels
- Pre-event recording: up to 3 minutes on front and rear seat cameras - set independently
- Full system controls (use as back-up if mounted near driver)

Scalable File Management

- Digital Eyewitness Media Manger (DEMM): simple, secure
- Eyewitness Data Vault: configurable to meet any requirement

Digital Eyewitness Media Manager



DEMM - the easiest database you'll ever use.

Automate Workflow

- Automatically ingests, verifies and authenticates Kustom video files
- Create automated workflow to assign how long a file is saved and who can access it
- Automatically track all activity to support file authenticity

Effective File Management

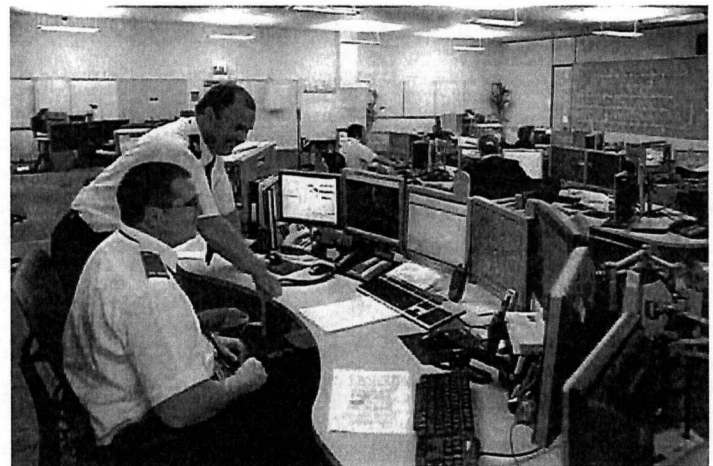
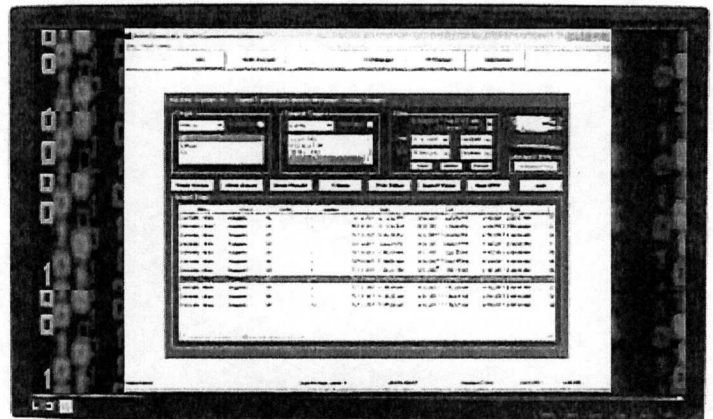
- Easy to use, intuitive interface
- Enhanced search capabilities
- Associate comments to video files

Secure User Management

- Secure audit trail
- Assign hierarchical rights and permissions
- Define broad or limited access to video files through user rights policy

Flexible

- Wired, wireless or manual file transfer
- Scalable and expandable
- Fleet manager utility for hands-free in-car system updates
- Easily burn files to DVD
- Supports all Kustom Video Products



Simple to operate

Scalable back-office solution

Secure file management

Kustom Signals Inc. 9652 Loiret Boulevard, Lenexa, KS, 66219, USA.

www.KustomSignals.com

Tel. 800-458-7866

Digital Eyewitness Media Manager



File retrieval for the courtroom is quick, easy and secure.

Options

- DEMM Playback Server
 - Web-browser based
 - Simple, intuitive interface
 - Access database through your agency's intranet
- DVD+/-R Archiver for long-term storage and back-up
- Expandable server with RAID Array



Enhanced Search Capabilities

Quickly locate a file through multiple search options:

- Events
- Date
- Vehicle
- Badge
- Tags
- Time
- Officer
- Comments

Viewing Options

- Preview a thumbnail video
- Create "playable" DVDs usable on consumer DVD player
- Create duplicate-original "data" DVDs for PC playback



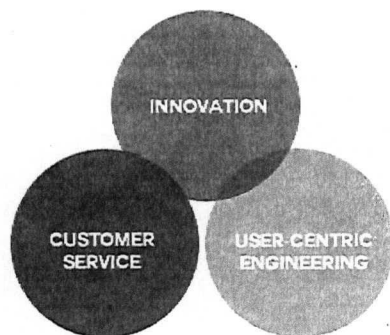
More

Our Company

has positioned us as the most advanced, time-tested and trusted name in law enforcement.



- [Our Company](#)
- |
- [Our History](#)
- |
- [Career Opportunities](#)
- |
- [Useful Information](#)
- |
- [YouTube](#)



What We Do & Our Values

Kustom Signals is dedicated to serving the traffic safety equipment needs of law enforcement. Kustom designs, manufactures and markets innovative Radar, Lidar, Video solutions and Speed calming devices. For nearly 50 years, we've been right there with you, meeting your demands, expanding your capabilities and extending your reach.

- Driving innovation in the law enforcement industry
- Delivering superior product performance through user-centric engineering
- Offering unrivaled service & support, anywhere in the world.
- Continuing our tradition of excellence



A Globally Recognized Brand

Nearly 50 years of innovation and dedication to your Agency's success have made Kustom Signals a leading, globally recognized brand in law enforcement.

- A leading public safety technology company in the U.S. and worldwide.
- The leader in speed enforcement technology in the U.S. and worldwide.
- The designer, manufacturer, and marketer of flagship law enforcement products, such as G3 Vision, ProLaser 4 and Raptor RP-1.
- A user-centered design company. Products are designed for and by law enforcement professionals to deliver equipment that is easy to use and stands up to tough, real-world conditions.
- A leader in Customer Service, taking ownership of your service needs to provide you an exceptional customer experience

Latest Tweets



Kustom Signals

6h

@KustomSignals

Photos of the Contour (our compact, lightweight mapping series) at work:

pic.twitter.com/C99VGsOVfm



Contact us

Kustom Signals Inc.
9652 Loiret Boulevard
Lenexa, Kansas 66219
United States

Tel. + 1 (800) 458-7866



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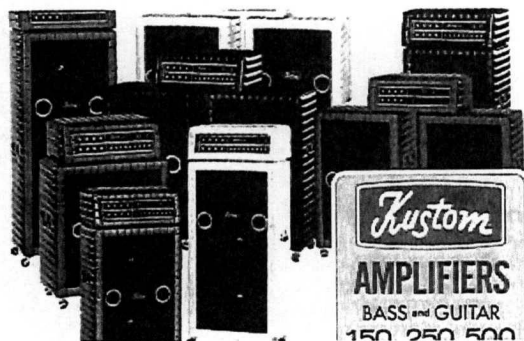
More

Our History

From rock star roots to leaders in speed enforcement and safety



- [Our Company](#)
- |
- [Our History](#)
- |
- [Career Opportunities](#)
- |
- [Useful Information](#)
- |
- [YouTube](#)



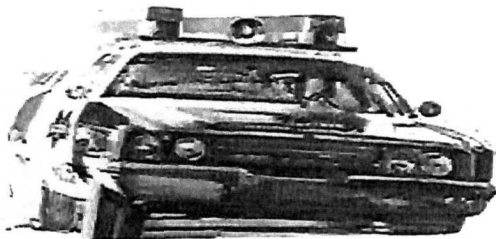
WE BEGAN AS ROCK STARS

It's the mid 1950's. Rock and Roll is taking hold, concerts are growing in popularity and musicians and performers crave an affordable, reliable and great sounding system for their gigs. Starting life in a garage workshop, Kustom amplifiers is formed... building cutting edge systems using transistorized electronics (a revolution at the time).

Kustom amps and speaker cabs were incredibly well constructed with a big, clean sound and (thanks to word of mouth) they were soon in high demand. Production was moved to a dedicated manufacturing facility in Chanute, Kansas (where we still manufacture today).

Artists using Kustom products in the 60's and 70's included Johnny Cash, The Jackson 5, John Fogerty, and Brian Wilson and Kustom amps were the preferred choice of musicians across all genres.

Our knowledge of electronics allowed us to diversify into manufacturing of radar and car monitors (perhaps an odd move, but one which played to our key strengths)... and our foray into designing and manufacturing public safety equipment was born.



THE 1970'S AND BEYOND

Kustom Signals has a long testimony of innovative accomplishments and industry firsts. We introduced the first digital readout radar, the industry's first moving radar, and the first hand-held option. In 1979, we introduced an instant-on function that added to an officer's ability to track speeds on compulsion and, in 2008, we introduced the Raptor, the first two-piece radar with graphical display, target tracking bar and Dura Trak™.

An avionics division began in 1979 and was sold in 1984, but not before designing the "space radar" used by NASA to measure speed and distance of objects in space.

By the late 80's we were offering officers the added security of in-car video surveillance options and continue to invest significant resources to upgrade our video technology and to remain an innovative front runner. We have lead the industry by providing the first digital in-car video that offered multiple compression and file transfer options (2004), the first to offer dual control for MDC and a dedicated controller (2004), the first four-camera solution (2010), and the first digital in-car video system utilizing Windows Internet Explorer as the primary user interface (2010).

As speed enforcement technology progressed, we continued our history of being cutting edge and reliable. 1990 was a year full of firsts for Kustom Signals in laser advancements: The first heads-up display, the first LIDAR (Laser Imaging Detection and Ranging) with continuous tracking history, and the first with a settable range.

In 2006, we introduced the first binocular style speed enforcement laser weighing only 19 ounces. 2011 brought the rock star of industry recognition, the Innovation Award, for our ProLaser 4.



50 YEARS OF CUSTOMER SERVICE

Kustom Signals has a long history of putting customer service above all else, and we know that your safety, the safety of your community and the success of your safety enforcement program are dependent on reliable, effective, and superior technology.

We have outstanding products that are superbly designed, tested and serviced. Our products meet all federal performance guidelines and any equipment issue is resolved by a team of engineers, corrective actions professionals and technical support specialists. In short, we have quality people rocking quality products.

For nearly 50 years, we have strived to be the worldwide leader in speed enforcement, the most trusted provider of video evidence solutions and the recognized leader in customer satisfaction. We are part of an international network of companies offering vehicle safety products, we aim to provide you, the customer, with the tools that continue to make you the 'Rock Stars' within your own community.

For a brief video of our history, [click here](#).

CITY COUNCIL AGENDA CONSENT

DATE: May 27, 2014

TO: Honorable Mayor and City Council

FROM: Homer Croy, Interim City Manager

SUBJECT: City Council to consider a formal position in support of our Local and Regional Military Installations in the County of Riverside

RECOMMENDATION: That the City Council consider a formal position in support of our local and regional military installations in the County of Riverside and approve the attached support letter to be signed by Mayor Franklin.

JUSTIFICATION: The Council's support of the attached six positions will make a lasting impression on our United States Senators, Congressional delegates, the armed service, and the administration. It is imperative that Riverside County Cities join to support our military personnel, installations, and modernization and to oppose Base Realignment and Closure of the Naval Surface Warfare Center, Corona Division and March Air Reserve Base. Please refer to Attachments 1-6 for further details outlining each of the six positions.

BACKGROUND: Riverside County supervisors recently approved establishing an Office of Military and Defense Services (OMDS) to identify strategies for preserving the area's two remaining military installations and increasing federal contracting opportunities for local businesses. The new OMDS has been assigned as a branch of the County of Riverside Economic Development Agency.

The Defense Department Agency is responsible for activating cutbacks as the Federal Government moves forward with the complex and diminishing impact of cutting billions out of the nation's annual budget. The Defense Department is authorizing the nation's counties to help implement these reductions under the newly consolidated Office of Military and Defense Services, headed up by Commissioner Tom Freeman, which includes key military support facilities, as well as hundreds of businesses dependent on Defense Department activities, while providing a formidable total payroll.

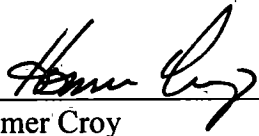
Military contracts and contacts are vital to this county's economic interest and jobs. The Department of Defense records indicate around 900 county-based businesses received over \$5.1 billion in defense contracts over the last 12 years.

With innumerable installations affected by this governmental "belt-tightening" of the Defense Department, both in the U.S., and its installations all over the world, the U.S. Defense Department is wisely reaching out to the county levels within the fifty states to make the most judicious decisions, affecting America's far-reaching military defense system.

In projecting the impact on the American nation's continuing unemployment problems, the decisions made in Washington on cutting back existing systems, and projected future technological development, could derivatively affect the economic well-being throughout the country, when considering hundreds of thousands of civilians supporting military installations throughout the land.

FISCAL DATA: N/A

RECOMMENDED BY:



Homer Croy
Interim City Manager

REVIEWED BY:



Jane Overholt
Administrative Services Director/
Deputy City Manager

Attachments: 6

1. Naval Surface Warfare Center
2. Air & Marines Operations Center
3. Joint Forces Deployment Center
4. Deployment of Boeing KC-46A Tanker
5. Support Naval Surface Warfare Center
6. Funding for Air National Guard F-15 Radar Upgrades

DRAFT

May 27, 2014

Office of Military & Defense Services
County of Riverside, California
Economic Development Agency
Attn: Commissioner Tom Freeman
3403 Tenth Street, Suite 300
Riverside, CA 92501

Sent via regular mail & email
tomfreeman@rivcoeda.org

**RE: Support Local and Regional Military Installations, and Modernization
Oppose Base Realignment and Closure of the Naval Surface Warfare Center,
Corona Division and March Air Reserve Base**

Dear Commissioner Freeman,

On behalf of the City Council, City of Banning, please accept this letter in support of Riverside County's military personnel, installations, and modernization and to **oppose** Base Realignment and Closure of the Naval Surface Warfare Center, Corona Division and March Air Reserve Base.

At its' regular meeting held May 27, 2014, the City Council reviewed and approved your request dated April 22, 2014, attached hereto. The City Council hereby supports our local and regional military installations in the County of Riverside and of the six attached position papers, as follows:

1. Naval Surface Warfare Center – Sustain Technical Capability and Lower Operating Costs at Naval Surface Warfare Center, Corona Division
ACTION: The City Council urges Congress, administration officials, the Department of the Navy, and the Department of Defense to oppose any reduction in manning levels at NSWC Corona, other than called for by the cost-efficient Navy Working Capital Fund model.
2. Air & Marine Operations Center (AMOC) Phase B – Riverside, CA
ACTION: The City Council urges federal leaders to support the implementation of AMOC Phase B to expand the center's capabilities and provide more effective intelligence and awareness to national security partners.
3. Joint Forces Deployment Center Needed at March Air Reserve Base
ACTION: The City Council urges federal leaders to support the construction of a Joint Forces Deployment Center at March Air Reserve Base to meet the expanding troop, passenger, and cargo deployment needs of current military operations.

4. Deployment of Boeing KC-46A Tanker to March Air Reserve Base (MARB)
ACTION: The City Council urges federal elected leaders and public officials to support assignment of the Boeing KC-46A tanker to relevant units at MARB because it has the personnel capabilities, infrastructure and community support necessary.
5. Support the Mission of the Naval Surface Warfare Center (NSWC) – Corona Division
ACTION: The City Council urges Congress, administration officials, the Department of the Navy, and the Department of Defense to oppose any action to close, move, or realign NSWC Corona during any BRAC and budget negotiations.
6. Funding for Air National Guard F-15 Radar Upgrades to maintain the California Air National Guard's 144th Fighter Wing (radar upgrades in order to maintain its two missions at March Air Reserve Base and Fresno Airport).
ACTION: The City Council urges federal and military leaders to prioritize the request for 19 additional F-15 APG-63 (V)3 Active Electronically Scanned Array (AESA) radars for the California Air National Guard.

If you have any questions, or wish to discuss, please feel free to contact me directly at (951) 990-2721.

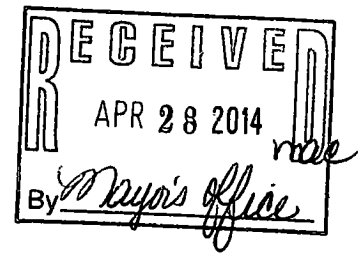
Respectfully,

DRAFT

Deborah Franklin
Mayor

Attachments: 6

1. Naval Surface Warfare Center
2. Air & Marines Operations Center
3. Joint Forces Deployment Center
4. Deployment of Boeing KC-46A Tanker
5. Support Naval Surface Warfare Center
6. Funding for Air National Guard F-15 Radar Upgrades



**Office of Military & Defense Services
County of Riverside, California**

**Board of
Supervisors**

KEVIN JEFFRIES
DISTRICT 1

JOHN TAVAGLIONE
DISTRICT 2

JEFF STONE
DISTRICT 3

JOHN J. BENOIT
DISTRICT 4

MARION ASHLEY
DISTRICT 5

Executive Team

JAY E. ORR
CEO

GEORGE A. JOHNSON
CHIEF ASSISTANT CEO

ROB FIELD
ASSISTANT CEO

LISA BRANDL
MANAGING DIRECTOR

April 22, 2014

The Honorable Debbie Franklin
City of Banning
99 East Ramsey Street
Banning, CA 92220

Dear Mayor Franklin,

I am writing to respectfully request for your city to take a formal position in support of our local and regional military installations in the County of Riverside and of the six attached position papers. Our Office of Military & Defense Services was recently activated by the Board of Supervisors to support our military personnel, installations, and modernization and to oppose Base Realignment and Closure of the Naval Surface Warfare Center, Corona Division and March Air Reserve Base.

Your city and its council's support of these six positions, along with the support of the other twenty-seven cities in Riverside County, will make a lasting impression on our two United States Senators, our four Congressional delegates, the armed service, and the administration. Additionally, our military and civilian personnel assigned to our regional bases are always grateful to receive such support.

Thank you for your thoughtful consideration of this request. If you need additional information or wish to discuss this information, I am available through email at tomfreeman@rivcoeda.org or by telephone at 951.955.9672.

Very Respectfully,

Thomas L. Freeman, Commissioner
Office of Military & Defense Services

Attachments: 6

1. Naval Surface Warfare Center
2. Air & Marines Operations Center
3. Joint Forces Deployment Center
4. Deployment of Boeing KC-46A Tanker
5. Support Naval Surface Warfare Center
6. Funding for Air National Guard F-15 Radar Upgrades



Phone (951) 955-9672
Fax (951) 955-9177
www.rivcoeda.org

3403 Tenth Street, Suite 300
Riverside, CA, USA, 92501

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Office of Military & Defense Services County of Riverside, California

SUSTAIN TECHNICAL CAPABILITY AND LOWER OPERATING COSTS AT NAVAL SURFACE WARFARE CENTER, CORONA DIVISION

Board of Supervisors

KEVIN JEFFRIES
DISTRICT 1

JOHN TAVAGLIONE
DISTRICT 2

JEFF STONE
DISTRICT 3

JOHN J. BENOIT
DISTRICT 4

MARION ASHLEY
DISTRICT 5

Executive Team

JAY E. ORR
CEO

GEORGE A. JOHNSON
CHIEF ASSISTANT CEO

ROB FIELD
ASSISTANT CEO

LISA BRANDL
MANAGING DIRECTOR

ISSUE: Naval Surface Warfare Center, Corona Division should be exempt from any Department of Defense reductions in civilian personnel because it operates under the Navy Working Capital Fund business model, generating operating revenue by charging Navy, Marine Corps, and other military customers for needed science and engineering products and services. As such, it receives no appropriated funds and its manning levels are determined by customer demand for its services.

ACTION: The County urges Congress, administration officials, the Department of the Navy, and the Department of Defense to oppose any reduction in manning levels at NSWC Corona, other than called for by the cost-efficient Navy Working Capital Fund model.

BACKGROUND: NSWC Corona has been a leader in the Navy's research, development, test and evaluation process and has provided independent assessment for 50 years. The Secretary of the Navy established its unique mission in 1964 to provide objective, unbiased ground-truth during the development of the Navy's first guided missile systems. Today, the center serves as the Navy's only independent assessment agent and is responsible for gauging the warfighting capability of Navy ships and aircraft, supporting some 400 military projects.

Technical Capability:

- Even in a down-budget environment, defense technical capability must be maintained to strengthen our national security.
- As threats have increased to unprecedented levels, never before has the nation needed greater defense capability than now to keep pace with the speed and proliferation of technological advancement around the globe.
- Defense capability should not be outsourced to industry, which is under no obligation to manage its stewardship.
- It is imperative that the next generation of scientists and engineers be hired, trained, and developed before the large number of retirement-eligible civilians leave and the brain trust is lost.
- NSWC Corona's unique technical capability cannot be built overnight and the coming brain drain makes this an urgent need.

Lower Operating Costs:

- In the Working Capital Fund business model, commands generate overhead operating funds with military and civil servants working on military projects. Commands use these funds to maintain physical capital (infrastructure, laboratory facilities) and its intellectual capital (the workforce). Under this business model, overhead-operating capital is not generated when contractors perform the same exact work – only the exact expense may be charged to the customer.
- As in the private sector, commands largely have fixed operational costs for their infrastructure and the more they can spread those expenses across a larger government workforce, the lower their labor rate. So more military and Navy civilians working on direct military programs generate more overhead funds to support fixed operational costs, which lower the command's labor rate and reduce costs to programs and the taxpayer.
- NSWC Corona entered the sequestration era with a government-contractor imbalance and was over-reliant on support contractors to execute its mission. To improve technical health, NSWC Corona is expanding its technical workforce through targeted and judicious hiring.



Office of Military & Defense Services County of Riverside, California

AIR AND MARINE OPERATIONS CENTER PHASE B

Board of Supervisors

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CHIEF ASSISTANT CEO

ROB FIELD
ASSISTANT CEO

LISA BRANDL
MANAGING DIRECTOR

ISSUE: The Air and Marine Operations Center (AMOC,) a law enforcement multiple agency awareness center in Riverside, CA, that supports the Department of Homeland Security (DHS), needs modernization.

ACTION: The County urges federal leaders to support the implementation of AMOC Phase B to expand the center's capabilities and provide more effective intelligence and awareness to national security partners.

BACKGROUND: AMOC Phase B is an incremental, multi-phase program to modernize AMOC and enhance its capability to provide cross-domain awareness through the merging of air, ground, and maritime domain awareness as well as intelligence to maintain a continuum of border, airspace, land, and maritime safety and security. When fully implemented, the AMOC Phase B Program will provide:

- Expanded physical space to accommodate additional Office of Air and Marine and interagency personnel for critical, national-level mission-planning and coordination activities
- Additional connections with surveillance and sensor systems operated by DHS, other government agencies, state, local, tribal and international partners
- Improved connections with law enforcement databases and intelligence information and networks
- Improved dissemination of radar, video, and other data
- Enhancements to Air and Marine Operations Surveillance System to incorporate the new capabilities
- Backup systems and continuity of operations capability

Currently, several alternatives to implement AMOC's modernization are being analyzed. Once an alternative is selected for implementation, a cost estimate to implement Phase B will be projected.

Since its establishment in 1988, the role of the AMOC has expanded to meet additional national security requirements and support the priority mission of DHS. Agencies integrating the AMOC's capabilities into their operations include Immigration and Customs Enforcement, the Federal Emergency Management Agency, the U.S. Coast Guard, the U.S. Secret Service, and organizations external to DHS including the Federal Bureau of Investigations, the Bureau of Alcohol, Tobacco and Firearms, the U.S. Marshals Service, Federal Aviation Administration (FAA), the Department of Defense (DoD), and state, local, tribal and international law enforcement organizations. Over twenty-five of these organizations and agencies provide a continual link to AMOC via either virtual or on-site representation.

The AMOC provides a key element of the nation's air domain awareness. DHS shares air domain awareness responsibility with the DoD, FAA, DHS law enforcement databases, national intelligence, and other sources. Such domain awareness enables DHS to work with its components, state and local personnel, international partners, and DoD for interdiction of suspicious targets.

The AMOC employs the Air and Marine Operations Surveillance System (AMOSS) and extensive intelligence, detection, monitoring, and coordination capabilities to make threat determinations in the performance of critical counter-terrorism and counter-narcotics missions. Though it was constructed initially to track general aviation aircraft, the AMOC's capabilities are now growing in the maritime and land environments. The AMOC collects data on aircraft and maritime vessels, investigates intentions for these craft, and when warranted, coordinates interdiction of them.



Office of Military & Defense Services County of Riverside, California

JOINT FORCES DEPLOYMENT CENTER NEEDED AT MARCH AIR RESERVE BASE

ISSUE: March Air Reserve Base needs a modern deployment terminal facility to meet the growing cargo and personnel demand being transported to and from the base.

ACTION: The County urges federal leaders to support the construction of a Joint Forces Deployment Center at March Air Reserve Base to meet the expanding troop, passenger, and cargo deployment needs of current military operations.

BACKGROUND: The current deployment terminal facility at March Air Reserve Base will continue to be unsuitable for the number of military personnel being processed for deployments. Frequently deploying troops from the 1st Marine Expeditionary Force, 452nd Air Mobility Wing, Army Reserves, and Federal and State entities for national interests are corralled outdoors for extended periods of time and inefficient conditions result in degraded capabilities and lengthy processing times.

Furthermore, lack of adequate co-located cargo processing will continue to impede deployment. The base will continue to be at risk of environmental and safety issues regarding personnel, cargo, and airframes. Frequently deploying troops from the 1st Marine Expeditionary Force, 452nd Air Mobility Wing, Army Reserves, and Federal and State entities for national interests are processing cargo outdoors for extended periods of time and inefficient conditions result in degraded capabilities and lengthy processing times.

The existing passenger terminal Building 265 was constructed in 1942 and has exceeded its life cycle. The facility has degraded infrastructure and utilities being used to support personnel. The communications systems also need to be updated to support the volume of personnel.

The second facility being used for this process is Hangar 385. This is a historical facility built in 1929 and is adjacent to the passenger terminal. This facility is used for the overflow of military personnel until embarkation. Building 385 is capable of only providing minimal accommodations and has significant deficiencies (plumbing, electrical, HVAC) prevent this facility from meeting mission requirements. Current facility provides no separate space for counseling, interviews, legal reviews, chaplain services, or food/comfort services.

Cargo processing is also being done at multiple locations. Vehicles are washed, drained of oil and fuels, and then transported to the mass parking ramp weigh scale. This is highly inefficient and dangerous for personnel. There are no pits or catwalks, and is a risk to the installation for hazardous material spills while processing vehicles. Cargo loading can/is impeded by weather exposure and insect infestation delaying aircraft loading and schedules.

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CHIEF ASSISTANT CEO

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LISA BRANDL
MANAGING DIRECTOR



Office of Military & Defense Services County of Riverside, California

DEPLOYMENT OF THE BOEING KC-46A TANKER TO MARCH AIR RESERVE BASE

ISSUE: The March Air Reserve Base (MARB) has not yet been assigned the Boeing KC-46A tanker, a wide-body, versatile aircraft that will revolutionize the capability of air mobility missions in the United States armed forces.

ACTION: The County urges federal elected leaders and public officials to support assignment of the Boeing KC-46A tanker to relevant units at MARB because it has the personnel capabilities, infrastructure and community support necessary.

BACKGROUND: The Boeing KC-46A can refuel all US, allied and coalition military aircraft compatible with international aerial refueling procedures, any time, on any mission, and can carry more passengers, cargo and patients whenever and wherever needed. The ability to detect, avoid, defeat and survive threats using robust defensive systems and cockpit armor protection will allow the KC-46A to operate safely in medium-threat environments. With unmatched operation flexibility, the KC-46A is a mobility game changer. It was developed by Boeing from its 767 jet airliner. In February 2011, the tanker was selected by the United States Air Force to replace older KC-135 Stratotankers. Boeing is under contract to deliver 18 initial operational KC-46A tankers by 2017. The Air Force is seeking a total of 179 new tankers to replace 179 KC-135s.

Air Reserve bases were not considered for the initial round of assignments of the KC-46A, which focused on active duty and Air National Guard assignments. However, they will be considered for two of the future main operating bases, although the timeframe for that decision is as yet unclear.

The priority assignment of the KC-46A tanker to active duty and Air National Guard installations seems practical in that the vast majority of KC-135 aircraft and bases are held by those units. However, March is a joint base sustaining all three components: active duty, Air National Guard, and Air Reserve. Current active duty and Air Reserve units at March operate KC-135 Stratotanker and C-17 Globemaster missions. While the 163rd Air Reconnaissance Wing of the Air National Guard currently has an unmanned predator mission; the unit previously had a KC-135 mission. These three branches together provide the air refueling capabilities needed to meet Air Force criteria. In addition, March, as a former Strategic Air Command base, boasts adequate infrastructure to host the new KC-46A tankers.

March also enjoys community support not only for its mission but also for local troops and their families. To protect the mission at March, the governing bodies of the County of Riverside, the cities of Riverside, Moreno Valley, and Perris as well as the March Joint Powers Authority collectively sought and obtained a grant from the United States Department of Defense, Office of Economic Adjustment to prepare the MARB/JPA Joint Land Use Study.

The resulting airport compatibility plan incorporates the guidelines contained in the existing March Air Installation Compatibility Use Zone Study and expands upon them by: 1) providing more definitive standards for new development; 2) implementing a significantly larger buffer area to transition from un-impacted outlying areas to the airport's Accident Potential Zones; and 3) requiring airport disclosure in property transactions for vast areas within the airport influence area.

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Office of Military & Defense Services County of Riverside, California

SUPPORT THE MISSION OF NAVAL SURFACE WARFARE CENTER, CORONA DIVISION

Board of Supervisors

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MANAGING DIRECTOR

ISSUE: Naval Surface Warfare Center, Corona Division (NSWC Corona) needs to remain at its location at Naval Weapons Station Seal Beach Detachment Norco to fulfill its important mission as the Navy's independent assessment agent, the Navy and Marine Corps range systems engineering agent, and the Navy and Marine Corps measurement science and calibration agent.

ACTION: The County urges Congress, administration officials, the Department of the Navy, and the Department of Defense to oppose any action to close, move, or realign NSWC Corona during any BRAC and budget negotiations.

BACKGROUND: NSWC Corona receives no appropriated funds and provides its own operating funds under the Navy Working Capital Fund business model by charging Navy, Marine Corps, and other military customers for its science and engineering products and services. The warfare center has the manning capabilities, infrastructure and community support necessary to execute its mission from its Norco, California headquarters.

It has been a leader in the Navy's research, development, test and evaluation process and has provided independent assessment for 50 years. The Secretary of the Navy established its unique mission in 1964 to provide unbiased information during the development of the Navy's first guided missile systems. Today, the center serves as the Navy's only independent assessment agent and is responsible for gauging the warfighting capability of Navy ships and aircraft, supporting some 400 military projects.

It also provides critical warfighter support as the range systems engineering agent for the Navy and Marine Corps, helping sustain surface fleet and aircrew training and pre-deployment certification around the world. Its systems are designed, engineered and tested in Norco and are located at nearly 100 Navy, Marine Corps, Air Force and Air National Guard and allied nation ranges around the world.

The warfare center also serves as the measurement and calibration agent to ensure the measurement accuracy of today's precision combat and weapon systems. It's patented, award-winning automated calibration management system is projected to save the Navy \$65 million by 2017. It is the subject of the Navy's first cross-license patent licensing agreement that will transfer this innovative system to the commercial sector, offsetting initial Navy costs and allowing subsequent improvements to return to the Navy at no additional expense.

In the heart of Southern California's Inland Empire, NSWC Corona is strategically located near the Navy and Coast Guard fleet in San Diego, the Marines at Camp Pendleton and 29 Palms, the Air Force in Riverside, and the Army at Ft. Irwin, all within hours of its Norco location.

With nearly 75 percent of its Navy civilians working as scientists and engineers, the warfare center maintains its technical edge by working closely with area colleges and universities, which provide a critical pipeline for science and engineering graduates and help sustain its technical capability.

NSWC Corona also enjoys community support not only for its mission but also for the valuable economic, intellectual and social contribution it makes to Southern California. As a high-tech center for science and engineering, the base contributes more than \$300 million each year to the regional economy, with some 1,500 local civilians and contractors supporting nearly 200 Defense Department programs. The base hosts more than 7,000 visitors each year, and generates some 18,000 room nights.

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Office of Military & Defense Services County of Riverside, California

FUNDING FOR AIR NATIONAL GUARD F-15 RADAR UPGRADES

Board of Supervisors

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ROB FIELD
ASSISTANT CEO

LISA BRANDL
MANAGING DIRECTOR

ISSUE: The California Air National Guard's 144th Fighter Wing need the necessary radar upgrades in order to maintain its two missions at March Air Reserve Base and Fresno Airport.

ACTION: The County urges federal and military leaders to prioritize the request for 19 additional F-15 APG-63 (V)3 Active Electronically Scanned Array (AESA) radars for the California Air National Guard.

BACKGROUND: The cancellation of the F-22 has meant greater reliance by the United States Air Force on other strike fighters, including its F-15 fleet. Unfortunately, the Air Force has reduced the number of F-15 Primary Aircraft Allowance from 18 to 15 at each F-15 wing. This will mean it will be impossible for the California Air National Guard's 144th Fighter Wing to maintain both of its two 24/7 operational alert missions at March Air Reserve Base and Fresno Airport. These missions are critical to the national/homeland security of America's western flank.

To ensure the F-15's capabilities match today's standards, the Air Force is currently upgrading its radar system. As stated in the President's Budget, "The (V)3 AESA upgrade significantly improves Reliability, Maintainability & Supportability (RM&S), and substantially improves operational effectiveness and combat lethality of the existing APG-63 equipped aircraft." The budget includes funding for 24 radar upgrades, yet several dozen F-15s will still require upgrading. The request funds 19 radar upgrades for this year to ensure the F-15 fleet can be used for many years in the future. The remaining will be upgraded in subsequent years.

It is a vital national interest to maintain Air National Guard F-15C/D aircraft to the highest possible combat capability. Moreover, the APG-63 (V)3 AESA radar is drastically easier and cheaper to maintain, and is required to maintain a tactical advantage over current and projected adversaries. Funding for 19 additional (V)3 AESA radars will sustain the Air National Guard's autonomous execution of its Aerospace Control Alert mission and Designed Operational Tasking, in support of worldwide operations.

CITY COUNCIL AGENDA

DATE: May 27, 2014

TO: Honorable Mayor and City Council

FROM: Fred Mason, Electric Utility Director

SUBJECT: Resolution 2014-38 Approving the Purchase Agreement between Pristine Builders, Inc. and the City of Banning for the Property Located at 215 E. Barbour Street, Banning, California

RECOMMENDATION: The City Council approve the Purchase Agreement between Pristine Builders, Inc., and the City of Banning for the property located at 215 E. Barbour Street, Banning, California, in an amount not to exceed Seventy-five Thousand Five Hundred Dollars (\$75,500) plus \$2,000 paid towards Seller's Closing Costs, attached herewith as Exhibit "A".

BACKGROUND: The City Council approved Resolution 2014-31 authorizing the purchase of the property located at 215 E. Barbour Street, Banning, California, at the May 13th City Council meeting. The attached Purchase Agreement and Title documentation must be executed and recorded in order to complete the purchase transaction and transfer title to the City of Banning. The Banning City Attorney requested that staff present the official Purchase Agreement to Council for approval, in addition to the previous approval of Resolution 2014-31. Staff is requesting that the City Council approve the attached Purchase Agreement and authorize staff to proceed with the necessary activities to complete the purchase transaction.

FISCAL DATA: The cost of the property is \$75,500 with \$2,000 paid towards the Seller's Closing Costs, for a total amount of \$77,500. The City's Title and Escrow fees associated with the purchase are estimated at \$1,078. The actual amount will be assessed at the close of escrow, and any excess funds will be returned to the City. An appropriation from the Electric Improvement Fund in the amount of \$78,578 is required to complete the purchase transaction.

RECOMMENDED BY:



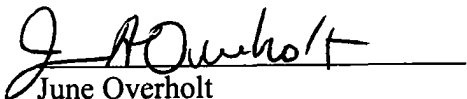
Fred Mason
Electric Utility Director

APPROVED BY:



Homer Croy
Interim City Manager

REVIEWED BY:



June Overholt
Administrative Services Director/Deputy City Manager

RESOLUTION NO 2014-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING THE PURCHASE AGREEMENT BETWEEN PRISTINE BUILDERS, INC. AND THE CITY OF BANNING FOR THE PROPERTY LOCATED AT 215 E. BARBOUR STREET, BANNING, CALIFORNIA

WHEREAS, the City Council approved Resolution 2014-31 authorizing the purchase of the property located at 215 E. Barbour Street, at its May 13th City Council meeting; and

WHEREAS, the Purchase Agreement and Escrow documents, attached herewith as Exhibit “A” must be executed and recorded in order to complete the purchase transaction and transfer title to the City of Banning; and

WHEREAS, the property is located at 215 E. Barbour Street, with APN’s 541-260-030-5, 541-260-031-6, 541-260-040-4, 541-260-043-7, and 541-260-045-9; and

WHEREAS, Staff and the property owners, Pristine Builders, negotiated in good faith and came to an agreed upon selling price of \$75,500 with an additional \$2,000 paid towards the Seller’s Closing Costs; and

WHEREAS, the City’s Title and Escrow fees related to the purchase transaction are estimated at \$1,078; and

WHEREAS, an appropriation in the amount of \$78,578 from the Electric Improvement Fund is necessary in order to complete the purchase transaction;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution No. 2014-38, approving the Purchase Agreement between Pristine Builders, Inc. and the City of Banning, in the amount of \$77,500, with an additional \$1,078 in Title and Escrow fees, for the purchase of the property located at 215 E. Barbour Street, Banning, California, and authorize the Interim City Manager, or his designee, to execute the Purchase Agreement and all required documentation to complete said transaction.

SECTION 2. Authorize the Administrative Services Director to complete the necessary account and wire transfers as required for the completion of said purchase.

PASSED, APPROVED AND ADOPTED this 27th day of May, 2014.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2014-38 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 27th day of May, 2014, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California

Exhibit “A”



CALIFORNIA
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ADDENDUM

(C.A.R. Form ADM, Revised 4/12)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: ☒ Residential Purchase Agreement, ☐ Manufactured Home Purchase Agreement, ☐ Business Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Vacant Land Purchase Agreement, ☐ Residential Income Property Purchase Agreement, ☐ Commercial Property Purchase Agreement, ☐ Other _____

dated May 15, 2014, on property known as 215 E. Barbour St
Banning, CA 92220
in which City of Banning is referred to as ("Buyer/Tenant")
and Pristine Builders, Inc. is referred to as ("Seller/Landlord").

STATEMENT OF MATERIAL FACT

☐

Property is vacant and seller has never resided in subject property.

Property is dilapidated structure and in need of major repairs.

Seller understands the City of Banning (Buyer) is seeking acquisition of subject property for expansion of utility department.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date _____

Date May 15, 2014

Buyer/Tenant City of Banning

Seller/Landlord Pristine Builders, Inc.

Buyer/Tenant _____

Seller/Landlord _____

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ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by _____ Date _____



ADDENDUM (ADM PAGE 1 OF 1)

Agent: Marisela Labastida

Phone: 951.452.7596

Fax: 909.335.2303

Prepared using zipForm® software

Broker: Marisela Labastida Broker, 700 E Redlands Blvd Redlands, CA 92373

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 4/13)

Date May 15, 2014

1. OFFER:

A. THIS IS AN OFFER FROM City of Banning ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 215 E. Barbour St, Banning, CA 92220, Assessor's Parcel No. 541260030, 031, 040, 043, 045, situated in Banning, County of Riverside, California, ("Property").

C. THE PURCHASE PRICE offered is Seventy-Five Thousand, Five Hundred Dollars \$ 75,500.00.

D. CLOSE OF ESCROW shall occur on May 30, 2014 (date) (or ☒ Days After Acceptance).

2. AGENCY:

A. DISCLOSURE: Buyer and Seller each acknowledge prior receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).

B. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:

Listing Agent n/a (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.

Selling Agent n/a (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Deposit shall be in the amount of \$

(1) Buyer shall deliver deposit directly to Escrow Holder by personal check, ☐ electronic funds transfer, ☐ other within 3 business days after acceptance (or ☐ Other);

OR (2) (If checked) ☐ Buyer has given the deposit by personal check (or ☐), to the agent submitting the offer (or to ☐), made payable to The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or ☐ into Broker's trust account) within 3 business days after Acceptance (or ☐ Other).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ within Days After Acceptance, or ☐

If a liquidated damages clause is incorporated into this Agreement, Buyer and Seller shall sign a separate liquidated damages clause (C.A.R. Form RID) for any increased deposit at the time it is Delivered.

C. LOAN(S):

(1) FIRST LOAN: in the amount of \$ This loan will be conventional financing or, if checked, ☐ FHA, ☐ VA, ☐ Seller (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form PAA), ☐ Other This loan shall be at a fixed rate not to exceed % or, ☐ an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

(2) ☐ SECOND LOAN: in the amount of \$ This loan will be conventional financing or, if checked, ☐ Seller (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form PAA), ☐ Other This loan shall be at a fixed rate not to exceed % or, ☐ an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

(3) FHA/VA: For any FHA or VA loan specified above, Buyer has 17 (or ☐) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless otherwise agreed in writing.

D. ADDITIONAL FINANCING TERMS: Buyer to pay \$2,000 towards Seller's Closing Costs

E. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 75,500.00 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 75,500.00

Buyer's Initials () ()

Seller's Initials () ()



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RPA-CA REVISED 4/13 (PAGE 1 OF 8)

Reviewed by Date

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 8)

Agent: Marisela Labastida Phone: 951.452.7596 Fax: 909.335.2303 Prepared using zipForm® software
Broker: Marisela Labastida Broker, 700 E Redlands Blvd Redlands, CA 92373

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215 E. Barbour St
Property Address: Banning, CA 92220

Date: May 15, 2014

- G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3H(1) shall, within 7 (or ☐ _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked, ☐ verification attached.)
- H. LOAN TERMS:
- (1) LOAN APPLICATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked, ☐ letter attached.)
- (2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) LOAN CONTINGENCY REMOVAL:
- (i) Within 17 (or ☐ _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing remove the loan contingency or cancel this Agreement;
- OR (ii) (if checked) ☐ the loan contingency shall remain in effect until the designated loans are funded.
- (4) ☒ NO LOAN CONTINGENCY (If checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked, ☒ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, ☐ if checked, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.
- J. ☒ ALL CASH OFFER (If checked): Buyer shall, within 7 (or ☐ 2) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, ☐ verification attached.)
- K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- A. INSPECTIONS AND REPORTS:
- (1) ☐ Buyer ☐ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Wood Pest Report") prepared by _____ N/A a registered structural pest control company.
- (2) ☐ Buyer ☐ Seller shall pay to have septic or private sewage disposal systems inspected N/A
- (3) ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity N/A
- (4) ☐ Buyer ☐ Seller shall pay for a natural hazard zone disclosure report prepared by N/A
- (5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- (6) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- B. GOVERNMENT REQUIREMENTS AND RETROFIT:
- (1) ☐ Buyer ☐ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless exempt.
- (2) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____
- C. ESCROW AND TITLE:
- (1) ☒ Buyer ☒ Seller shall pay escrow fee 50/50 split
Escrow Holder shall be Claremont Escrow
- (2) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 12E _____
Owner's title policy to be issued by Fidelity Title
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)
- D. OTHER COSTS:
- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee _____
- (2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee n/a
- (3) ☐ Buyer ☐ Seller shall pay Homeowner's Association ("HOA") transfer fee _____
- (4) ☐ Buyer ☐ Seller shall pay HOA document preparation fees _____
- (5) ☐ Buyer ☐ Seller shall pay for any private transfer fee _____
- (6) ☐ Buyer ☒ Seller shall pay the cost, not to exceed \$ _____, of a one-year home warranty plan, issued by n/a, with the following optional coverages:
☐ Air Conditioner ☐ Pool/Spa ☐ Code and Permit upgrade ☐ Other: _____
Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.
- (7) ☐ Buyer ☐ Seller shall pay for _____
- (8) ☐ Buyer ☐ Seller shall pay for _____

Buyer's Initials (_____) (_____)

Seller's Initials [Signature] (_____) (_____)

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Property Address: Banning, CA 92220

Date: May 15, 2014

5. CLOSING AND POSSESSION:

- A. Buyer intends (or ☒ does not intend) to occupy the Property as Buyer's primary residence.
- B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer at 5 PM or (☐ _____ ☐ AM ☐ PM) on the date of Close Of Escrow; ☐ on _____; or ☐ no later than _____ Days After Close Of Escrow. If transfer of title and possession do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.
- C. **Tenant-occupied property:** (i) Property shall be vacant at least 5 (or ☐ _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. **Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**
- OR (ii) (if checked) ☐ **Tenant to remain in possession.** (C.A.R. Form PAA, paragraph 3)
- D. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale, and (ii) Seller shall Deliver to Buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

6. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or SSD).
- (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**
- (4) If any disclosure or notice specified in 6A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- (5) **Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.**
- B. **NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

7. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

- A. **SELLER HAS:** 7 (or ☐ _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).
- B. If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ☐ _____) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).

8. ITEMS INCLUDED IN AND EXCLUDED FROM PURCHASE PRICE:

- A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.
- B. **ITEMS INCLUDED IN SALE:**
- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; (if checked) ☐ stove(s), ☐ refrigerator(s);

Buyer's Initials (_____) (_____)

Seller's Initials PS (_____) (_____)

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Reviewed by _____ Date _____

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 8)



215 E Barbour

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215 E. Barbour St
Property Address: Banning, CA 92220

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- (3) The following additional items:
(4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
(5) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, audio and video components (such as flat screen TVs and speakers) are excluded if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component is attached to the Property; and
9. **CONDITION OF PROPERTY:** Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**
10. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. **Buyer indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Nonresponsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
11. **SELLER DISCLOSURES; ADDENDA; ADVISORIES; OTHER TERMS:**
- A. **Seller Disclosures (if checked):** Seller shall, within the time specified in paragraph 14A, complete and provide Buyer with a:
☐ Seller Property Questionnaire (C.A.R. Form SPQ) OR ☐ Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)
- B. **Addenda (if checked):**
☐ Addendum # (C.A.R. Form ADM)
☐ Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
☐ Purchase Agreement Addendum (C.A.R. Form PAA) ☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
☐ Short Sale Addendum (C.A.R. Form SSA) ☐ Other
- C. **Advisories (if checked):**
☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
☐ Probate Advisory (C.A.R. Form PAK) ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
☐ Trust Advisory (C.A.R. Form TA) ☐ REO Advisory (C.A.R. Form REO)
- D. **Other Terms:** BROKER PREPARING RPA RELATED TO OFFICER OF SELLING CORPORATION. NO LISTING AGENCY OR SELLING AGENCY CREATED. SALE IS BETWEEN PRINCIPALS ONLY. NO COMMISSION TO BE PAID.
12. **TITLE AND VESTING:**
- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index, Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

Buyer's Initials () ()

Seller's Initials  () ()



13. SALE OF BUYER'S PROPERTY:

- A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. SELLER HAS: 7 (or ☒ 2) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 4, 6A, B and C, 7A, 9A, 11A and B, and 12A. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or ☒ 2) Days After Acceptance, unless otherwise agreed in writing, to:
- (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and
 - (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures Delivered by Seller in accordance with paragraph 6A.
- (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
- (3) By the end of the time specified in 14B(1) (or as otherwise specified in this Agreement), Buyer shall, Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 14A, then Buyer has 5 (or ☐ _____) Days After Delivery of any such items, or the time specified in 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
- (4) Continuation of Contingency: Even after the end of the time specified in 14B(1) and before Seller cancels, if at all, pursuant to 14C, Buyer retains the right to either (i) in writing remove remaining contingencies; or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 14C(1).

C. SELLER RIGHT TO CANCEL:

- (1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP) may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.
- (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to Deliver a notice of FHA or VA costs or terms as required by 3C(3) (C.A.R. Form FVA); (iv) if Buyer fails to Deliver a letter as required by 3H; (v) if Buyer fails to Deliver verification as required by 3G or 3J; (vi) if Seller reasonably disapproves of the verification provided by 3G or 3J; (vii) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 6A(2); or (viii) if Buyer fails to sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25. In such event, Seller shall authorize return of Buyer's deposit.
- (3) Notice To Buyer To Perform: The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or ☐ _____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 14C(2).

D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.**E. CLOSE OF ESCROW:** Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first Deliver to the other a demand to close escrow (C.A.R. Form DCE).**F. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**15. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.**16. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or 2) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 9; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).**17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)



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Property Address: Banning, CA 92220

Date: May 15, 2014

18. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
19. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
20. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
21. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
22. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - H. "Deliver", "Delivered" or "Delivery", means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 8, regardless of the method used (i.e. messenger, mail, email, fax, other); OR (ii) if checked, ☐ per the attached addendum (C.A.R. Form RDN).
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
23. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6C, 11B and D, 12, 13B, 14F, 17, 22, 23, 24, 28, 30 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 23, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
 - B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐ _____). Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
 - C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 23 and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 23, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
 - D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

Buyer's Initials (_____) (_____)

Seller's Initials (JS) (_____)



215 E. Barbour St
Property Address: Banning, CA 92220

Date: May 15, 2014

25. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF THE INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT (C.A.R. FORM RID).**

Buyer's Initials _____ / _____ Seller's Initials JS / _____

26. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 26C.**

B. ARBITRATION OF DISPUTES:

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____ Seller's Initials JS / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver nor violation of the mediation and arbitration provisions.

(2) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

27. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

28. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

Buyer's Initials (_____) (_____)

Seller's Initials (JS) (_____)



215 E. Barbour St
Property Address: Banning, CA 92220

Date: May 15, 2014

29. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked, ☐ AM ☐ PM, on _____ (date)).

Date _____

Date _____

BUYER _____

BUYER _____

City of Banning
(Print name)

(Print name)

(Address)

30. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO) DATED: _____

Date 05/15/2014

Date _____

SELLER _____

SELLER _____

Pristine Builders, Inc.
(Print name)

(Print name)

(Address)

(_____/_____) (Initials) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ ☐ AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) ☐ (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) n/a

By _____ BRE Lic. # _____ BRE Lic. # _____
Address _____ Date _____
Telephone _____ Fax _____ City _____ State CA Zip _____
E-mail _____

Real Estate Broker (Listing Firm) n/a

By _____ BRE Lic. # _____ BRE Lic. # _____
Address _____ Date _____
Telephone _____ Fax _____ City _____ State _____ Zip _____
E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ 0), counter offer number _____ ☐ Seller's Statement of Information and _____

_____, and agrees to act as Escrow Holder subject to paragraph 24 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is 5.15.14

Escrow Holder Claremont Escrow Escrow # 140082-ET

By Eusabina Bravara Date 5.15.14

Address 1306 Monte Vista Ave # 5, Upland Ca 91786

Phone/Fax/E-mail 909-399-1171

Escrow Holder is licensed by the California Department of ☒ Corporations, ☐ Insurance, ☐ Real Estate. License # 903-2176

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).
Broker or Designee Initials _____

REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
Seller's Initials _____

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____
Broker or Designee _____ Date _____



REVISION DATE 4/13

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 8)

215 E Barbour

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CALIFORNIA
ASSOCIATION
OF REALTORS®

BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 215 E. Barbour St, Banning, CA 92220

("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
- 2. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
- 3. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
- 4. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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BIA-A REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials () ()

Seller's Initials () ()

Reviewed by _____ Date _____



BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Marisela Labastida

Phone: 951.452.7596

Fax: 909.335.2303

Prepared using zipForm® software

Broker: Marisela Labastida Broker, 700 E Redlands Blvd Redlands, CA 92373

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5. **ROOF:** Present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

Buyer Signature _____ Date _____
[Signature] 05/15/2015
 Seller Signature _____ Date _____
Pristine Builders, Inc.

Buyer Signature _____ Date _____
 Seller Signature _____ Date _____

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 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____





Claremont Escrow, Inc.

1306 Monte Vista Avenue, Suite 5
Upland, CA 91786

Phone: (909) 399-1171

Fax: (909) 982-1600

Elisabeth Garcia
Escrow Officer

Date: May 21, 2014
Escrow No.: 140082-EG

AMENDED ESCROW INSTRUCTIONS

Property Address: 215 East Barbour Street Banning, CA 92220

THE ABOVE NUMBERED ESCROW IS HEREBY AMENDED AND/OR SUPPLEMENTED AS
FOLLOWS:

LEGAL DESCRIPTION: LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A
PART HEREOF

APNS: 541-260-030-5 / 541-260-031-6 / 541-260-040-4 / 541-260-043-7 / 541-260-045-9

ALL OTHER TERMS AND CONDITIONS TO REMAIN THE SAME.

SELLERS:

Pristine Builders, Inc., a California Corporation

By: _____
Authorized Signer

BUYERS:

City of Banning, a California Corporation

By: _____
Authorized Signer



Claremont Escrow, Inc.

1306 Monte Vista Avenue, Suite 5

Upland, CA 91786

Phone: (909) 399-1171

Fax: (909) 982-1600

CLAREMONT ESCROW, INC. IS LICENSED BY THE DEPARTMENT OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, LICENSE NUMBER 963-2176

All parties hereto understand and acknowledge that Raul Cruz holds common ownership interest in Legacy Private Funding and Claremont Escrow Inc. who may be representing parties to this transaction, and therefore certain conflicts of interest potentially exist.

ADDITIONAL INSTRUCTIONS/GENERAL PROVISIONS

Elisabeth Garcia
Escrow Officer

ESCROW NO.: 140082-EG
DATE: May 15, 2014

We, the undersigned, hand you a copy of the California Residential Purchase Agreement and Joint Escrow Instructions (and Receipt for Deposit) dated May 14, 2014 including Counter Offers and Addendums (original(s) of which has/have been executed by all parties and retained by broker). Your duties and responsibilities are limited to those paragraphs specified in paragraph 24, of the original deposit receipt.

TOTAL CONSIDERATION **\$75,500.00**

I/We will deliver to you any instruments which this escrow requires, fully executed, all of which you are instructed to use provided that on or before **May 30, 2014** you hold a policy of title insurance issued by **Fidelity National Title Co.** with a liability of **\$75,500.00** covering property:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF

SELLER STATES THAT THE PROPERTY ADDRESS IS: 215 East Barbour Street, Banning, CA 92220

TITLE POLICY TO SHOW TITLE VESTED IN: TBD

FREE FROM ENCUMBRANCES EXCEPT:

- (1) All General and Special Taxes for the fiscal year 2014 and 2015, including bonds, special assessments, assessed against former owner, and/or supplemental taxes assessed pursuant to the provisions of Chapter 498, Statutes of the State of California. (Change of Ownership will affect the taxes to be paid. A Supplemental Tax Bill will be issued and BUYER accepts all responsibility for all additional taxes due because of said reassessment. TAX BILLS ISSUED AFTER THE CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYERS AND SELLERS.)
- (2) Covenants, conditions, restrictions, reservations, rights, rights of way, and easements, and any oil, gas, or mineral reservations now of record, if any.

INSTRUCTIONS:

- A. **CLARIFICATION OF DUTIES OF ESCROW HOLDER:** These Instructions have been prepared for the clarification of responsibilities of the Escrow Holder herein, and necessary to complete this transaction pursuant to item 24 of the California Residential Purchase Agreement and Joint Escrow Instructions. Escrow holder shall not be concerned nor held liable with regards to the California Residential Purchase Agreement and Joint Escrow Instructions, with the exception of the Sections referred to in Paragraph 24. Escrow holder shall not be responsible to monitor, in any manner, the time frames provided, and pertaining to items contained in the California Residential Purchase Agreement and Joint Escrow Instructions, and, escrow holder is hereby released from any and all responsibility in connection with said items, other than payment of bills for same. Further, Counter Offer(s) and all addendums thereto, shall pertain to the escrow holder as incorporated in these Additional Instructions only.
- B. **ESCROW PERIOD:** This escrow shall close on or before **May 30, 2014**.
- C. **ALL CASH:** In as much as this is an "all cash" transaction there shall be NO financing secured in connection with this transaction.
- D. **BUYER CREDIT TO SELLER FOR CLOSING COSTS:** From proceeds due the undersigned buyers at close of escrow, you are instructed to charge buyer and credit seller the sum of \$2,000.00, which is to be applied toward sellers Closing Costs.
- E. **PRELIMINARY TITLE REPORT APPROVAL:** The escrow holder shall forward to the Buyer, a copy of the current Preliminary Title Report issued through **Fidelity National Title Co.** covering subject property for approval.
- F. **HOME WARRANTY WAIVER:** Buyer and Seller hereby agree to waive a home warranty policy for subject property. Buyer is aware of the benefits of said home warranty policy and does hereby release Seller and Claremont Escrow, Inc. from all liability for the absence of a home warranty policy in this transaction.

Seller's Initials: _____/_____

Buyer's Initials: _____/_____

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Page 2 of 5: Additional instructions made a previous pages as fully incorporated therein.

- G. **TERMITE WAIVER:** Buyer and Seller hereby agree to waive a termite inspection/completion report for subject property. Buyer is aware of the benefits of said inspection/completion report and does hereby release Seller and Claremont Escrow, Inc. from all liability for the absence of a termite inspection/completion report in this transaction.
- H. **ZONE DISCLOSURES WAIVER:** Buyer and Seller hereby agree to waive a natural hazard disclosure report for subject property. Buyer is aware of the benefits of said report and does hereby release Claremont Escrow, Inc. from any and all liability for the absence of said natural hazard report.
- I. **FIRE INSURANCE:** Buyer shall obtain fire insurance and/or liability insurance sufficient to Buyer's needs OUTSIDE of this escrow. Escrow Holder is hereby released of any and all legal and/or financial liability in reference to Buyer's insurance, including but not limited to the availability thereof, enforcement as of the close of escrow, cost or payment of premiums. Buyer is hereby notified as to the benefits of fire insurance and/or liability insurance and is further notified to obtain fire insurance and/or liability insurance coverage effective the date of close of escrow.
- J. **MANDATED 1099-S TAX REPORTING:** As mandated by Federal Tax Regulations, the Seller(s) shall provide escrow holder with a completed "Transfer of Ownership Form 1099-S" to enable escrow holder to file the information disclosed thereon to the Internal Revenue Service at closing. This information shall be given escrow holder prior to the close of escrow. In the event the Seller is a Trust and the title is so vested, **THE SELLER IS HEREBY NOTIFIED THAT HE MUST OBTAIN THE ADVICE OF HIS TAX COUNSEL AND/OR CERTIFIED PUBLIC ACCOUNTANT REGARDING THE CORRECT TIN OR SOCIAL SECURITY NUMBER TO BE USED FOR REPORTING PURPOSES AS THE OBLIGATION FOR CORRECT DATA SHALL REMAIN THE SOLE RESPONSIBILITY OF THE SELLER AND NOT THE ESCROW HOLDER.**
- K. **AS IS:** Subject property is being sold in its "as-is" present condition, without warranty. Seller shall not be responsible for making corrections or repairs of any nature. Buyer is to pay all inspections and repairs in connection with any retrofit requirements, physical and/or cosmetic defects to the dwelling structures located on subject property. Buyer to secure their own inspections, including but not limited to physical inspections, geological inspections and any other inspections which a Buyer would obtain to verify the condition of subject property. Seller, Brokers and its Agents, and Escrow Holder are hereby released from any and all legal and/or financial liability in connection with same.
- L. **SPECIAL NOTICE:** All parties are aware that in the event checks issued by Claremont Escrow, Inc. to parties herein are either lost, stolen, destroyed or otherwise not cashed within 6 months from close of escrow, a stop payment order will be placed on such check in order to re-issue funds, and the expense incurred by this escrow holder for such service will be charged to the payee of such check in the amount of \$35.00 or any such amount charged this escrow holder by escrow holder's bank. Further, in the event checks deposited into escrow by parties here are returned for insufficient funds; or any other reason the depositing party acknowledges that they may be charged an amount not to exceed three (3) times the actual bank charge for such returned item.
- In the event a conflict or controversy should arise, escrow holder reserves the right to collect a monthly handling charge of \$35.00 per month, if the conflict or controversy is not resolved to the satisfaction of escrow holder within 90 days from the recited closing date.
- M. **CANCELLATION OF ESCROW:** As a condition of Escrow Holder accepting the Escrow Agency created by the Instructions of this escrow, parties herein acknowledge their understanding and consent that regardless of the consummation of this transaction, Escrow Holder's minimum clerical fee for the preparation of these escrow instructions shall be not less than \$200.00. All parties further understand that additional fees may also be charged as a result of the cancellation of escrow.
- N. **FIRPTA:** If requested, escrow holder is hereby authorized and instructed to provide a completed copy of the Seller's completed Form S1445 Certification, to the Broker/Agents, involved in this transaction, and is further released and held harmless in connection therein.
- O. **CALIFORNIA REAL ESTATE WITHHOLDING:** Withholding is now required when individuals sell California real property and the escrow closes on or after January 1, 2003. ALL SELLERS ON NON-PRINCIPAL RESIDENCES ARE REQUIRED TO COMPLY WITH THIS FRANCHISE TAX BOARD REQUIREMENT.
- THE ESCROW HOLDER IS REQUIRED TO DEDUCT FROM SELLER'S PROCEEDS AND REMIT TO THE FRANCHISE TAX BOARD 3.333% OF THE GROSS SALES PRICE FOR ALL TRANSACTIONS IN WHICH THE SELLER IS NOT EXEMPT FROM WITHHOLDING.**
- P. **AUTHORIZATION TO CORRECT DEED:** Upon final determination of Buyer's complete vesting, escrow holder is authorized and instructed to correct over Seller's signature, the grant deed you hold without further written authorization from seller. This authorization is limited to the correction and completion of current Buyer's vesting, not the deletion or addition of other buyers.
- Q. **PRORATIONS:** Prorate as of Close of Escrow
- Real Property taxes based on latest tax bill or on amount furnished by title company.

Seller's Initials: _____ / _____

Buyer's Initials: _____ / _____

Page 3 of 5: Additional Instructions made a previous pages as fully incorporated therein.

AS A MATTER OF RECORD ONLY, WITH WHICH YOU ARE NOT TO BE CONCERNED, THE PARTIES HEREBY AGREE AS FOLLOWS:

THESE ESCROW INSTRUCTIONS ARE NOT INTENDED TO SUPERSEDE THE REAL ESTATE PURCHASE CONTRACT AND RECEIPT FOR DEPOSIT, BUT TO CARRY OUT ITS TERMS AND CONDITIONS IN CONSUMMATING THE PURCHASE AND SALE, EXCEPT AS MAY BE AMENDED OR MODIFIED BY THE MUTUAL WRITTEN INSTRUCTIONS OF THE PARTIES.

GENERAL PROVISIONS

THE PARTIES HERETO UNDERSTAND AND ACKNOWLEDGE:

1. **DUTIES AS ESCROW HOLDER:** Escrow Holder's acceptance of Escrow as set forth on the Purchase Agreement and Joint Escrow Instructions applicable to this transaction is subject to Escrow Holder's receipt of a copy of said purchase agreement and any counter offers thereto executed by Seller and Purchaser. Your duty as Escrow Holder shall not commence until these escrow instructions are signed by all parties and received by Escrow Holder. Until such time, either party may unilaterally cancel and, upon written request delivered to you, a party may withdraw funds and documents such party previously handed to you unless these instructions are Additional Instructions to CAR California Residential Purchase Agreement and Joint Instructions, (and receipt for deposit) in which case terms and conditions set forth therein governing release of funds and documents shall prevail. All notices, demand and instructions must be in writing. You shall have no duties to anyone except those signing these instructions. After execution of these instructions by all parties, release of Buyer's funds deposited herein shall require mutually signed instructions from both Buyer and Seller, Court Order or Arbitration Award pursuant to the applicable CAR Real Estate Purchase Agreement.
2. **CLOSE OF ESCROW:** Close of Escrow is the day instruments are recorded or filed with the County Recorder. Escrow Holder is authorized to record all instruments delivered through this escrow, as necessary or proper, for the issuance of title insurance as called for.
3. **PRORATIONS:** All prorations and adjustments are to be made on the basis of a thirty (30) day month, unless otherwise instructed in writing by all parties. Escrow Holder is instructed to prorate taxes for the current fiscal year based on the most recent information furnished by the title insurer or information handed to Escrow Holder.
4. **FUNDS RECEIVED, DEPOSITED AND DISBURSED IN ESCROW:** All funds received in this escrow shall be deposited in a non interest bearing trust account with other escrow funds. Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds shall be deposited in general escrow accounts in a federally insured financial institution including those affiliated with Escrow Holder ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing. As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All such benefits shall accrue to the benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such benefits. All parties acknowledge close of escrow is conditioned upon check clearance. You are not responsible for any delay in closing if funds deposited, are not available for immediate withdrawal. All disbursements and/or instruments of escrow will be mailed regular first class mail to the designated party. Any funds disbursed will be issued jointly to parties designated. If any check submitted to Escrow Holder is dishonored upon presentation for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment. Replacement funds deposited for a previously dishonored check shall be in the form of a Cashiers check only. In this event, the party depositing dishonored funds hereby authorizes Escrow Holder to charge his/her/their account the sum of \$35.00 as reimbursement for bank charges incurred thereby. Closing funds must be in the form of a Cashiers Check drawn on a bank with a clearing house in the State of California OR wire transferred to Escrow Holder's trust account two (2) days prior to close of escrow. Unless Escrow Holder is notified in writing to the contrary, all conditions of this escrow shall be deemed satisfied or waived by Buyer upon buyer's deposit of sufficient funds to close this escrow, and said deposit shall be deemed Escrow Holder's unconditional authorization to close this transaction.
5. **SUB-ESCROW:** You are hereby authorized to deposit any funds or documents handed to you or cause the same to be deposited with any duly authorized sub-escrow agent, prior to the close of escrow if necessary or convenient for the consummation of this escrow.
6. **LIMITATIONS OF DUTIES/LIABILITY OF ESCROW HOLDER:** Escrow Holder shall have no obligation or responsibility to notify any of the parties to this escrow of any sale, re-sale, loan, exchange or other transactions or facts within your knowledge, even though same concern the property described herein, provided they do not prevent your compliance with these instructions. You shall not be responsible or liable in any manner for the sufficiency, validity or correctness of any signature of any principal to this escrow or any third party to this escrow, nor for the sufficiency or correctness as to form, manner of execution or validity of any documents deposited into this escrow, nor as to the identity, authority or right of any person executing same, either as to documents of record or those handed in this escrow. Your duties hereunder shall be limited to the safekeeping of such money and documents received by you as Escrow Holder, and for the disposition of the same in accordance with the written instructions accepted by you in this escrow. You shall not be liable to us for the failure of any conditions of this escrow, or damage caused to us either by the exercise of your discretion in any particular manner, or by the omission to perform any duty on your part, or for other reason, except gross negligence or willful misconduct in the performance of your duties as Escrow Holder herein. You likewise shall not be liable to us for forgeries or false personations in connection with these instructions, any documents of record pertaining to this escrow, or any document handed to you in this escrow, or for any damage arising from forgery or false personation.
7. **DISCLOSURE:** The parties to this escrow have satisfied themselves outside of escrow, that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any law regulating land division, zoning ordinances or building restrictions which may affect or pertain to the land or improvements that are subject of this escrow and you as Escrow Holder are relieved of all responsibility and/or liability in connection therewith and are not to be concerned with the enforcement of said laws, restrictions, ordinances or regulations.
8. **COPIES OF DOCUMENTS:** You are authorized to deliver copies of all escrow instructions, supplements/amendments thereto, estimated and final closing statements, preliminary title reports, notices of cancellation (if any) to the Real Estate Broker(s), Real Estate Agent(s), lender(s), lender(s) agent(s) and/or attorneys for the parties herein upon their oral or written request and you shall not incur any liability in doing so to any party. You are not required to submit any Preliminary Title Report unless instructed herein; however, you may do so at your discretion without incurring any liability.
9. **COMPLIANCE WITH LENDER INSTRUCTIONS:** Escrow Holder is authorized and instructed to comply with lender(s) instructions, if any. Escrow Holder is not to be concerned with any question of usury in any loan or encumbrance involved in the process of this escrow and Escrow Holder is released of any and all liability in connection with same.
10. **TIME IS OF THE ESSENCE:** If the conditions of this escrow have not been complied with or waived in writing prior to the specified date of closing, or any agreed upon written extension(s) you are nevertheless instructed to complete this escrow at the earliest possible date thereafter, unless written demand has been made upon you not to complete this transaction, in which case you may withhold and stop all further proceedings in this escrow without liability upon your part for interest on funds held or for damage, until written mutual cancellation instructions executed by all parties shall have been deposited in this escrow, at which time this transaction shall be terminated without further notice.
11. **DESTRUCTIONS OF DOCUMENTS/FILES:** The parties to these instructions authorize you to destroy all or otherwise dispose of any and all documents, papers, escrow instructions, correspondence, records and other material constituting or pertaining to this escrow at any time after five (5) years from date of: (a) the close of escrow; (b) the date of cancellation; (c) the date of last activity without liability and without further notice to the parties.
12. **COUNTERPARTS:** These instructions and all amendment thereto, may be executed in counterparts, and each shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute one and the same document. In these escrow instructions, wherever the context so requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.
13. **PURCHASE CONTRACT/AGREEMENT:** In the event any offer to Purchase, Deposit Receipt, or any other form of purchase agreement, or amendment or supplement thereto (collectively "Purchase Agreement") is deposited in this escrow, it is understood that such document shall be effective only as between the parties signing said document. You, as Escrow Holder, are not to be concerned with the terms of such Purchase Agreement and are relieved of all responsibility and/or liability for the enforcement of such terms your duty being to comply with the

Seller's Initials: _____/_____

Buyer's Initials: _____/_____

- instructions set forth in this escrow. You are not responsible for knowing or interpreting any provision of any Purchase Agreement on which these instructions may be based. You shall not rely on any knowledge or understanding you may have of any such Purchase Agreement in ascertaining or performing your duties as Escrow Holder. In connection with any loan transaction you are authorized to deliver a copy of any such Purchase Agreement, supplement or amendment thereto and a copy of all escrow instructions, supplements or amendments thereto to the lender.
14. **CONFLICTING INSTRUCTIONS: NO NOTICE, DEMAND, OR CHANGE OF INSTRUCTIONS SHALL BE OF ANY EFFECT IN THIS ESCROW, UNLESS GIVEN IN WRITING BY ALL PARTIES AFFECTED THEREBY.** In the event conflicting demands, claims or notices are made or served upon you or any controversy arises between the parties hereto or with any third person(s), you shall have the absolute right to withhold and stop all further proceedings without liability in determining the merits of the demands, notices or litigation or sue in Interpleader; or both.
 15. **INTERPLEADER:** The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action Interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the Clerk of the Court, documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charge and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such Interpleader action, the amount thereof to fixed and judgment therefore to be returned by the Court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations to further perform any duties or obligations otherwise imposed by the terms of this escrow.
 16. **ATTORNEY'S FEES AND COSTS:** In the event of failure to pay fees or expenses when due you hereunder, I agree to pay a reasonable fee for any attorney's services which may be required to collect such fees or expenses. In the event that you are required to bring legal action in order to enforce the collection of your fee and expenses, then I agree to pay reasonable attorney fees as the Court may award as well as your costs of suit and litigation. If an action is brought involving this escrow and/or Escrow Holder, the parties agree to indemnify and hold Escrow Holder harmless against and from any and all liabilities, damages and costs incurred by Escrow Holder (including reasonable attorney's fees and costs) except to the extent that such liabilities, damages and costs were caused by the gross negligence or willful misconduct of Escrow Holder.
 17. **INSPECTION:** Escrow Holder will make no physical inspection of the subject real or personal property and Escrow Holder is not to be concerned with the conditions of same.
 18. **TERMINATION OF AGENCY OBLIGATION:** If there is no written activity by a principal delivered to this escrow within any six-month period after the time date as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the respective parties entitled thereto less fees and charges herein provided.
 19. **DISBURSEMENT OF FUNDS BY TITLE COMPANIES:** California Insurance Code Section 12413.1 (AB 512) regulates disbursement of escrow funds by Title Companies. Funds received by the Title Company via wire transfer may be disbursed upon confirmation from the Title Company Bank. Funds received by the Title Company via local Cashier's Check or Teller's Check, may be disbursed on the next business day after the day of deposit to the Title Company Bank. Funds received by the Title Company in any other form will be held by the Title Company Bank for clearance from three (3) to seven (7) days (time frames may differ) before the Title Company may disburse. The clearance of escrow funds between the Buyer's lender and Title Company determines when final Seller net proceeds can be disbursed. Before the documents in this escrow can be recorded, the Title Company must receive all money necessary to pay the Seller's loans in full and these funds **MUST** be immediately collectible and available for withdrawal. In the event the new lender's funds are not sufficient to pay the Seller's loan(s), the Escrow Holder is authorized and instructed to forward sufficient monies from Buyer's deposit(s) the day prior to the recording of documents, in order to fully comply with Senate Bill 1550. Buyer's are advised that the new lender will commence charging interest on the day of their funding and not the date of recordation. Seller's are advised that the interest on their existing loan(s) will continue to accrue interest until the loan is paid in full and received by the lender(s) so paid.
 20. **IRS TAX REPORTING, WITHHOLDINGS AND DISCLOSURES:** In order to comply with the Tax Reform Act of 1986, SELLER herein agrees to deposit into escrow a 1099 tax statement to enable Escrow Holder to prepare (or cause to be prepared) the mandated 1099 statement which shall be forwarded to the Internal Revenue Service at the close of escrow. All parties understand this escrow cannot close without this required statement from Seller.
WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.
A. TAXPAYER IDENTIFICATION NUMBER REPORTING
Federal law requires Escrow Holder to report Seller's social security number and/or tax identification number, forwarding address and the gross sales price to the Internal Revenue Service ("IRS"). Escrow can not be closed nor any documents recorded until the information is provided and Seller certifies its accuracy to Escrow Holder.
B. STATE AND FEDERAL WITHHOLDING AND REPORTING
A buyer may be required to withhold and deliver to the Franchise Tax Board an amount equal to 3.33% of the sales price of a California real property interest by either: 1) a seller who is an individual with either a last known street address outside of California or when the seller's disbursement instructions direct the proceeds to be sent to a financial intermediary of the seller; OR 2) a corporate seller which has no permanent place of business in California. The buyer may become subject to a penalty in an amount equal to the greater of 10% of the amount required to be withheld or \$500.00. However, the buyer is not required to withhold any amount and will not be subject to penalty for failure to withhold if: a) the sales price of the California real property interest conveyed does not exceed \$100,000.00; b) the seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California; OR c) the seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence. The California Franchise Tax Board may grant a reduced withholding or waivers. To obtain additional information regarding California withholding, contact the Franchise Tax Board, Withhold at Source Unit, P.O. Box 651, Sacramento, CA 95812-0651 (916/845-4900.)
Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation or partnership, a domestic corporation or partnership controlled by non-residents or non-resident corporations or partnerships.
C. TAXPAYER IDENTIFICATION DISCLOSURE
Parties to a residential real estate transaction involving seller-provided financing are required to furnish, disclose, and include taxpayer identification numbers in their tax returns. Escrow Holder is not required to transmit the taxpayer I.D. numbers to the IRS or to the parties. Escrow Holder is authorized to release any party's taxpayer I.D. numbers to any other party in this escrow upon receipt of a written request. The parties waive all rights of confidentiality regarding their taxpayer I.D. numbers and agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of taxpayer I.D. numbers.
 21. **DELIVER ASSURANCES OF:** Deliver Title and insurance policies, if any, to holder of senior encumbrances or his order, if there are no encumbrances, then to the Buyer or his order.
 22. **AMENDMENTS TO ESCROW INSTRUCTIONS:** Any amendment to the Escrow Instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The Escrow Instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.
 23. **FAX SIGNATURES:** In the event the Buyer or Seller utilizes facsimile, photocopy or e-mail transmitted signed documents, Buyer and Seller hereby agrees to accept and instruct Escrow Holder to rely upon such documents as if they bore original signatures and, further, accept said copies in place and stead of the original. The Buyer and Seller further acknowledge and agree that documents necessary for recording with non-original signatures will not be accepted for recording by the County Recorder, thus delaying the close of escrow.
 24. **LICENSE DISCLOSURE:** CLAREMONT ESCROW, INC., A California Corporation, is operating under Escrow License #963-2176, as Issued by The Department of Corporations, State of California.

Seller's Initials: _____ / _____

Buyer's Initials: _____ / _____

Date: May 15, 2014

Escrow No.: 140082-EG

Page 5 of 5: Additional Instructions made a previous pages as fully Incorporated therein.

WE, JOINTLY AND SEVERALLY, ACKNOWLEDGE RECEIPT OF A COMPLETE COPY OF THE WITHIN ESCROW INSTRUCTIONS AND BY OUR SIGNATURES SET FORTH BELOW, ACKNOWLEDGE THAT WE HAVE READ AND UNDERSTAND AND AGREE TO THE SAME IN THEIR ENTIRETY.

ESCROW COMPANIES ARE NOT AUTHORIZED TO GIVE LEGAL ADVICE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY BEFORE SIGNING.

I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

SELLER(S) ONLY: The foregoing terms, provisions, conditions, and instructions, and those "General Provisions" contained herein are hereby approved and accepted in their entirety and concurred in by me. I will hand you necessary documents called for on my part to cause title to be shown as above which you are authorized to deliver when you hold for my account the sum of \$75,500.00 within the time as above provided, pay your escrow charges, my recording fees, charges for evidence of title as called for, whether or not this escrow is consummated, except those buyer agrees to pay. You are hereby authorized to pay bonds, assessments, taxes, and any liens of record to show title as called for, affix documentary tax on deed as required.

SELLERS:

Pristine Builders, Inc., a California Corporation

By: _____

Athorized Signer

BUYERS:

City of Banning / Authorized Signer

PRELIMINARY CHANGE OF OWNERSHIP REPORT

To be completed by the transferee (buyer) prior to a transfer of subject property, in accordance with section 480.3 of the Revenue and Taxation Code. A *Preliminary Change of Ownership Report* must be filed with each conveyance in the County Recorder's office for the county where the property is located.

NAME AND MAILING ADDRESS OF BUYER/TRANSFeree
(Make necessary corrections to the printed name and mailing address)

City of Banning
99 E. Ramsey Street
Banning CA 92220

541-260-030-5 / 541-260-031-6 / 541-260-040-4 / 541-260-043-7 /
541-260-045-9

ASSESSOR'S PARCEL NUMBER

Pristine Builders, Inc.

SELLER/TRANSFEROR

BUYER'S DAYTIME TELEPHONE NUMBER

BUYER'S EMAIL ADDRESS

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY 215 East Barbour Street, Banning, CA 92220			
MAIL PROPERTY TAX INFORMATION TO (NAME)			
ADDRESS 99 E. Ramsey Street	CITY Banning	STATE CA	ZIP CODE 92220
() YES () NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy.			MO DAY YEAR

PART 1. TRANSFER INFORMATION

Please complete all statements.

- YES NO
- () () A. This transfer is solely between spouses (addition or removal of a spouse, death of a spouse, divorce settlement, etc.).
- () () B. This transfer is solely between domestic partners currently registered with the California Secretary of State (addition or removal of a partner, death of a partner, termination settlement, etc.).
- () () * C. This is a transfer: () between parent(s) and child(ren) () from grandparent(s) and grandchild(ren).
- () () * D. This transfer is the result of a cotenant's death. Date of death _____
- () () * E. This transaction is to replace a principal residence by a person 55 years of age or older.
Within the same county? () YES () NO
- () () * F. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county? () YES () NO
- () () G. This transaction is only a correction of the name(s) of the person(s) holding title to the property (e.g., a name change upon marriage).
If YES, please explain: _____
- () () H. The recorded document creates, terminates, or reconveys a lender's interest in the property.
- () () I. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g., cosigner). If YES, please explain: _____
- () () J. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.
- () () K. This is a transfer of property:
- () () 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of [] the transferor, and/or [] the transferor's spouse [] registered domestic partner.
- () () 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.
- () () 3. to/from an irrevocable trust for the benefit of the [] creator/grantor/trustor and/or [] grantor's/trustor's spouse [] grantor's/trustor's registered domestic partner.
- () () 4. to/from an irrevocable trust from which the property reverts to the creator/grantor/trustor within 12 years.
- () () L. This property is subject to a lease with a remaining lease term of 35 years or more including written options.
- () () M. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.
- () () N. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.
- () () * O. This transfer is to the first purchaser of a new building containing an active solar energy system.
- *Please refer to the instructions for Part 1
- Please provide any other information that will help the Assessor understand the nature of the transfer.

THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION

PART 2. OTHER TRANSFER INFORMATION

Check and complete as applicable.

- A. Date of transfer, if other than recording date: _____
- B. Type of transfer:
- | | | | | |
|---|---|--|--|--|
| <input type="checkbox"/> Purchase | <input type="checkbox"/> Foreclosure | <input type="checkbox"/> Gift | <input type="checkbox"/> Trade or Exchange | <input type="checkbox"/> Merger, stock or partnership acquisition (Form BOE-100-B) |
| <input type="checkbox"/> Contract of sale. Date of contract _____ | | | | <input type="checkbox"/> Inheritance. Date of death: _____ |
| <input type="checkbox"/> Sale/leaseback | <input type="checkbox"/> Creation of a lease | <input type="checkbox"/> Assignment of a lease | <input type="checkbox"/> Termination of a lease. Date lease began: _____ | |
| | Original term in years (including written options): _____ | | | Remaining term in years (including written options): _____ |
| <input type="checkbox"/> Other: Please explain: _____ | | | | |
- C. Only a partial interest in the property was transferred? ☐ YES ☐ NO If YES, indicate the percentage transferred _____ %

PART 3. PURCHASE PRICE AND TERMS OF SALE

Check and complete as applicable.

- A. Total purchase price \$ _____
- B. Cash down payment or value of trade or exchange excluding closing costs Amount \$ _____
- C. First deed of trust @ _____ % Interest rate for _____ years. Monthly Payment \$ _____ Amount \$ _____
- () FHA () Discount Points () Cal-Vet () VA () Discount Points () Fixed Rate () Variable Rate
- () Bank/Savings & Loan/Credit Union () Loan Carried by seller
- () Balloon Payment \$ _____ Due Date: _____
- D. Second Deed of Trust @ _____ % Interest for _____ years. Monthly Payment \$ _____ Amount \$ _____
- () Fixed Rate () Variable Rate () Bank/Savings & Loan/Credit Union () Loan carried by seller
- () Balloon Payment \$ _____ Due Date: _____
- E. Was an Improvement Bond or other public financing assumed by the buyer? () YES () NO Outstanding balance \$ _____
- F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price \$ _____
- Phone Number () _____
- G. The property was purchased. () Through real estate broker. Broker name: _____
- () Direct from seller () From a family member-Relationship _____
- () Other: Please explain: _____

- H. Please explain any special terms, seller concessions, broker/agent fees waived, financing, and any other information (e.g. buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property:

PART 4. PROPERTY INFORMATION

Check and complete as applicable.

- A. Type of property transferred
☐ Single-family residence
☐ Multiple-family residence. Number of units: _____
☐ Other. Description: (i.e., timber, mineral, water rights, etc.) _____
- ☐ Co-op/Own-your-own
☐ Condominium
☐ Timeshare
- ☐ Manufactured home
☐ Unimproved lot
☐ Commercial/Industrial
- B. ☐ YES ☐ NO Personal/business property, or incentives, are included in the purchase price. Examples are furniture, farm equipment, machinery, club memberships, etc. Attach list if available.
 If YES, enter the value of the personal/business property: \$ _____
- C. ☐ YES ☐ NO A manufactured home is included in the purchase price.
 If YES, enter the value attributed to the manufactured home: \$ _____
☐ YES ☐ NO The manufactured home is subject to local property tax. If NO, enter decal number: _____
- D. ☐ YES ☐ NO The property produces rental or other income.
 If YES, the income is from: ☐ Lease/rent ☐ Contract ☐ Mineral rights ☐ Other: _____
- E. The condition of the property at the time of sale was: ☐ Good ☐ Average ☐ Fair ☐ Poor

CERTIFICATION

CERTIFICATION
 I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief. This declaration is binding on each and every buyer/transferee.
 SIGNATURE OF PURVEYOR/LESSOR OR AGENT: _____

SIGNATURE OF BUYER/TRANSFeree OR CORPORATE OFFICER

DATE

NAME OF BUYER/TRANSFeree/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT)

TITLE

E-MAIL ADDRESS

The Assessor's office may contact you for additional information regarding this transaction.

**NOTIFICATION TO BUYER AND SELLER REGARDING TAX WITHHOLDING REQUIREMENTS OF
CALIFORNIA REVENUE AND TAXATION CODE SECTION 18662 AS AMENDED BY AB2065 ON
SALE OF REAL PROPERTY:**

As of January 1, 2003, California law requires "pay as you go" (prepayment) of income tax by withholding of 3-1/3% on all sales of real property for individuals sellers of real property, whether resident or non-resident. Individual sellers may certify under penalty of perjury on Form 593-C that as individuals sellers they are not subject to withholding due to one of the exemptions:

- 1) Sales price is not greater than \$100,000.00;
- 2) The property is a principal residence of the transferor;
- 3) The property will be replaced in a like kind 1030 tax deferred exchange;
- 4) Certain foreclosure transactions; or
- 5) Seller certifies that the sale will result in a loss for California tax purposes.

Non-individual sellers:

- 1) Corporations with a permanent place of business in California;
- 2) Partnerships or LLCs;
- 3) Tax exempt entities, insurance companies, IRA's or qualified pension plans;
- 4) Irrevocable trusts with a California trustee; or
- 5) Estates with a California decedent or bank or banks acting as a fiduciary for a trust;

may also certify under penalty of perjury that they are not subject to withholding due to one of the exemptions.

The parties acknowledge that escrow holder will take no action regarding withholding without further mutual written instructions of buyer and seller in form satisfactory to escrow, together with completion of Franchise Tax Board forms. California Revenue and Taxation Code Section 18662 has (as amended by AB2065) require a BUYER of real property to withhold under CAL FIRPTA if the above-described exemptions are not met.

Seller or buyer may contact Franchise Tax Board Withholding At Source Unit, P.O. Box 651, Sacramento, CA 95812-0651, (916) 845-6442.

SELLERS:

Pristine Builders, Inc., a California Corporation

By: _____
Authorized Signer

BUYERS:

City of Banning / Authorized Signer

**Claremont Escrow, Inc.**

1306 Monte Vista Avenue, Suite 5

Upland, CA 91786

Phone: (909) 399-1171

Fax: (909) 982-1600

BUYER'S ESTIMATED CLOSING COSTS**PROPERTY:** 215 East Barbour Street
Banning, CA 92220**DATE:** May 21, 2014**BUYER:** City of Banning**CLOSING DATE:** May 30, 2014
ESCROW NO.: 140082-EG

	<u>DEBITS</u>	<u>CREDITS</u>
FINANCIAL CONSIDERATION		
Total Consideration	75,500.00	
PRORATIONS/ADJUSTMENTS		
Taxes at \$203.44/semi-annually from 05/30/2014 to 07/01/2014	35.04	
Buyer Credit to Seller for Closing Costs	2,000.00	
OTHER DEBITS/CREDITS		
HOLD for Final Figures	200.00	
TITLE/TAXES/RECORDING CHARGES - Fidelity National Title Co.		
Title Messenger Fee	45.00	
Sub Escrow Fee	62.50	
Endorsements	100.00	
ESCROW CHARGES - Claremont Escrow, Inc.		
Escrow Fee	550.00	
Overnight / Messenger Fee	85.00	
Funds required		78,577.54
TOTAL	\$ 78,577.54	\$ 78,577.54

THIS IS AN ESTIMATE ONLY AND FIGURES ARE SUBJECT TO CHANGE

City of Banning, a California Corporation

By:

Authorized Signer



Claremont Escrow, Inc.

1306 Monte Vista Avenue, Suite 5

Upland, CA 91786

Phone: (909) 399-1171

Fax: (909) 982-1600

Date: May 21, 2014

99 E. Ramsey Street
Banning, CA 92220

Escrow No. 140082-EG
Re: 215 East Barbour Street,
Banning, CA 92220

Enclosed herewith you will find the Preliminary Report issued by Fidelity National Title Co., Order No. 12842. Please complete and sign the form below, and return it to us within the time specified.

Thank you for your prompt attention to this matter.

Sincerely,

Elisabeth Garcia
Escrow Officer

APPROVAL OF PRELIMINARY TITLE REPORT and/or CC & R'S, ETC

The undersigned approves/disapproves as checked below the applicable report for the closing of this escrow.

PLEASE CHECK/MARK ONE:

() Please check here if APPROVAL is hereby given OR

() Please check here if DISAPPROVAL is hereby given, and complete below:

The undersigned hereby disapproves the report as to the following matters:

Executed this _____ day of _____, _____

City of Banning, a California Corporation

By: _____
Authorized Signer



Fidelity National Title Company

451 E. Vanderbilt Way, Suite 350, San Bernardino, CA 92408

Phone: (909) 890-0601 • Fax:

AMENDED PRELIMINARY REPORT

TITLE OFFICER: Don Ector

PHONE: (909) 890-0601 Ext. 234

FAX: (909) 890-3611

TITLE OFFICER EMAIL: dector@fnf.com

ORDER NO.: 00012842-991-IE1-DE1

LOAN NO.:

Claremont Escrow

ATTN: Elisabeth

1306 Monte Vista Ave, Suite 5

Claremont, CA 91711

YOUR REF: 140082-eg

ORDER NO.: 00012842-991-IE1-DE1

PROPERTY: 215 East Barbour Street, Banning, CA

EFFECTIVE DATE: May 13, 2014 at 7:30 a.m., Amended May 20, 2014, Amended No. 2

The form of policy or policies of title insurance contemplated by this report is:

ALTA Extended Coverage Loan Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

a Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Pristine Builders, Inc., a California Corp

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

DE1/rm January 14, 2014

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF THE SOUTHERLY 2 ½ ACRES OF LOT 10 OF SAN JOSE TRACT, IN THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP RECORDED IN BOOK 1, PAGE(S) 55, OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA AND THAT PORTION OF LOT 6 OF DAVIS TRACT, IN THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP RECORDED IN BOOK 8, PAGE(S) 62 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 114.00 FEET SOUTH OF THE NORTHWEST CORNER OF SAID 2 ½ ACRE TRACT AND EXTENDING EAST IN A STRAIGHT LINE, 130.00 FEET; THENCE SOUTH AT RIGHT ANGLES PARALLEL WITH THE WEST LINE OF SAID TRACT, 51.00 FEET;

THENCE WEST AT RIGHT ANGLES, 130.00 FEET;
THENCE NORTH IN A STRAIGHT LINE, 51.00 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THE WESTERLY 10.00 FEET OF THE SOUTHERLY 145.00 FEET OF LOT 6 OF DAVIS TRACT IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP RECORDED IN BOOK 8, PAGE 62, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 3:

THAT PORTION OF THE SOUTHERLY 2 1/2 ACRES OF LOT 10 OF SAN JOSE TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP RECORDED IN BOOK 1, PAGE 55, OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE, 114.00 FEET SOUTH OF THE NORTHWEST CORNER OF THE SAID SOUTHERLY 2 1/2 ACRES OF SAID LOT;

THENCE EAST, PARALLEL WITH THE NORTH LINE OF THE SOUTHERLY 2 1/2 ACRES OF SAID LOT, 120.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING EAST, PARALLEL WITH THE NORTH LINE OF THE SOUTH 2 ½ ACRES OF SAID LOT, 10.00 FEET;
THENCE SOUTH, PARALLEL WITH THE WEST LINE 51.00 FEET;
THENCE EAST, PARALLEL WITH THE NORTH LINE OF THE SOUTH 2 1/2 ACRES OF SAID LOT, 50.00 FEET;
THENCE NORTH, PARALLEL WITH THE WEST LINE, 81.00 FEET;
THENCE WEST ON A LINE PARALLEL WITH THE NORTH LINE, 60.00 FEET;
THENCE SOUTH ON A LINE PARALLEL WITH THE WEST LINE 39.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 4:

THAT PORTION OF THE SOUTHERLY 2 1/2 ACRES OF LOT 10 OF SAN JOSE TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP RECORDED IN BOOK 1, PAGE 55, OF MAPS RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE WESTERLY 2 1/2 ACRES OF SAID LOT;

EXHIBIT A
(Continued)

THENCE SOUTHERLY ALONG THE WEST LINE OF THE SOUTHERLY 2 1/2 ACRES OF SAID LOT 84.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH ALONG THE WEST LINE OF THE SOUTHERLY 2 1/2 ACRES OF SAID LOT, 30.00 FEET;
THENCE EAST, PARALLEL WITH THE NORTH LINE OF THE SOUTH 2 1/2 ACRES OF SAID LOT, 120.00 FEET;
THENCE NORTH, PARALLEL WITH THE WEST LINE OF THE SOUTH 2 1/2 ACRES OF SAID LOT, 30.00 FEET;
THENCE WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHERLY 2 1/2 ACRES OF SAID LOT, 120.00 FEET TO THE POINT OF BEGINNING.

PARCEL 5:

THAT PORTION OF LOT 5 OF THE DAVIS TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP RECORDED IN BOOK 1, PAGE 55, OF MAPS RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER;
THENCE SOUTH ALONG THE EAST LINE OF SAID LOT, 64.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH ALONG THE EAST LINE OF SAID LOT, 81.00 FEET;
THENCE WEST PARALLEL WITH THE NORTH LINE, 15.00 FEET;
THENCE NORTH PARALLEL WITH THE EAST LINE, 81.00 FEET;
THENCE EAST PARALLEL WITH THE NORTH LINE, 15.00 FEET TO THE POINT OF BEGINNING.

APN: 541-260-030-5; 541-260-031-6; 541-260-040-4; 541-260-043-7; 541-260-045-9

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015.
2. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:
Code Area: 001-020
Tax Identification No.: 541-260-030-5
Fiscal Year: 2013-2014
1st Installment: \$203.44 delinquent \$20.34 penalty
2nd installment: \$203.44 delinquent \$57.84 penalty
Exemption: \$0.00
Land: \$10,000.00
Improvements: \$15,000.00
Personal Property: \$0.00
Bill No.: 0354983
3. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:
Code Area: 001-020
Tax Identification No.: 541-260-031-6
Fiscal Year: 2013-2014
1st Installment: \$31.82, delinquent \$3.17 penalty
2nd Installment: \$31.82, delinquent \$40.67 penalty
Exemption: \$0.00
Land: \$1,000.00
Improvements: \$0.00
Personal Property: \$0.00
Bill No.: 0354984
4. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:
Code Area: 001-020
Tax Identification No.: 541-260-040-4
Fiscal Year: 2013-2014
1st Installment: \$53.07, delinquent \$5.30 penalty
2nd Installment: \$53.07, delinquent \$42.80 penalty
Exemption: \$0.00
Land: \$4,000.00
Improvements: \$0.00
Personal Property: \$0.00
Bill No.: 0354985
5. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:
Code Area: 001-020
Tax Identification No.: 541-260-043-7
Fiscal Year: 2013-2014
1st Installment: \$45.99, delinquent \$4.59 penalty
2nd Installment: \$45.99, delinquent \$42.09 penalty
Exemption: \$0.00
Land: \$3,000.00
Improvements: \$0.00
Personal Property: \$0.00
Bill No.: 0354986

EXCEPTIONS
(Continued)

6. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 001-020
Tax Identification No.: 541-260-045-9
Fiscal Year: 2013-2014
1st Installment: \$31.82, delinquent \$3.17 penalty
2nd Installment: \$31.82, delinquent \$40.67 penalty
Exemption: \$0.00
Land: \$1,000.00
Improvements: \$0.00
Personal Property: \$0.00
Bill No.: 0354987

7. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

Note: If said supplementals (if any) are not posted prior to the date of closing, this company assumes no liability for payment thereof.

8. Water rights, claims or title to water, whether or not disclosed by the public records.

9. Covenants, conditions, or restrictions, if any, appearing in the Public Records; however, this policy insures against loss or damage arising from:

(a) the violation of those covenants, conditions, or restrictions on or prior to Date of Policy;
(b) a forfeiture or reversion of Title from a future violation of those covenants, conditions, or restrictions, including those relating to environmental protection; and
(c) provisions in those covenants, conditions, or restrictions, including those relating to environmental protection, under which the lien of the Insured Mortgage can be extinguished, subordinated, or impaired..

As used in paragraph 2(a), the words "covenants, conditions, or restrictions" do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not referenced in an addendum attached to this policy.

10. Any easements or servitudes appearing in the Public Records; however, this policy insures against loss or damage arising from (a) the encroachment, at Date of Policy, of the improvements on any easement, and (b) any interference with or damage to existing improvements, including lawns, shrubbery, and trees, resulting from the use of the easements for the purposes granted or reserved.
11. Any lease, grant, exception, or reservation of minerals or mineral rights appearing in the Public Records; however, this policy insures against loss or damage arising from (a) any affect on or impairment of the use of the Land for residential one-to-four family dwelling purposes by reason of such lease, grant, exception or reservation of minerals or mineral rights, and (b) any damage to existing improvements, including lawns, shrubbery, and trees, resulting from the future exercise of any right to use the surface of the Land for the extraction or development of the minerals or mineral rights so leased, granted, excepted, or reserved. Nothing herein shall insure against loss or damage resulting from subsidence.
12. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

EXCEPTIONS
(Continued)

Amount: \$33,733.99
Dated: March 4, 2013
Trustor/Grantor: Pristine Builders, Inc., a California Corporation
Trustee: Fidelity National Title, a California Corporation
Beneficiary: David L. Dexheimer and Rosa P. Dexheimer, husband and wife
Loan No.: None shown
Recording Date: March 8, 2013
Recording No: Instrument No. 2013-115645, of Official Records.

13. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$40,000.00
Dated: May 14, 2013
Trustor/Grantor: Pristine Builders, Inc., a California Corporation
Trustee: Fidelity National Title Company, a California Corporation
Beneficiary: Arturo Vasquez and Karla Vasquez, husband and wife
Loan No.: None shown
Recording Date: May 22, 2013
Recording No: Instrument No. 2013-243059, of Official Records.

14. This Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the corporation named below.

Corporation: Pristine Builders, Inc., a California Corporation

(a) A Copy of the corporation By-Laws and Articles of Incorporation.

(b) An original or certified copy of a resolution authorizing the transaction contemplated herein.

(c) If the Articles and/or By-Laws require approval by a 'parent' organization, a copy of the Articles and By-Laws of the parent.

The right is reserved to add requirements or additional items after completion of such review.

15. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

16. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

PRELIMINARY REPORT
YOUR REFERENCE: 140082-cg

Fidelity National Title Company
ORDER NO.: 00012842-991-IE1-DE1

EXCEPTIONS
(Continued)

END OF ITEMS

NOTES

1. Note: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered into actions filed by both the Attorney General and private class action plaintiff for the herein described Land.
2. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
3. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Single Family Dwelling, known as 215 East Barbour Street, Banning, California to an Extended Coverage Loan Policy.
4. The only deed(s) affecting said land which recorded within twenty-four (24) months of the date of this report, is (are) as follows:

Grantor:	Western Progressive, LLC
Grantee:	HSBC Bank USA, National Association, as Trustee for Fremont Home Loan Trust 2006-D, Mortgage-Backed Certificates, Series 2006-D
Recording Date:	November 16, 2012
Recording No:	Instrument No. 2012-556588, of Official Records
Grantor:	HSBC Bank USA, National Association, as Trustee for Fremont Home Loan Trust 2006-D, Mortgage-Backed Certificates, Series 2006-D, by OCWEN Loan Servicing, LLC as Attorney in Fact
Grantee:	Pristine Builders, Inc., a California Corp
Recording Date:	March 5, 2013
Recording No.:	Instrument No. 2013-108006, of Official Records.
5. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
6. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third party service. If the above requirements cannot be met, please call the Company at the number provided in this report
7. Amended Civil Code Section 2941, which becomes effective on January 1, 2002, sets the fee for the processing and recordation of the reconveyance of each Deed of Trust being paid off through this transaction at \$45.00. The reconveyance fee must be clearly set forth in the Beneficiary's Payoff Demand Statement ("Demand"). In addition, an assignment or authorized release of that fee, from the Beneficiary to the Trustee of record, must be included. An example of the required language is as follows:

The Beneficiary identified above hereby assigns, releases or transfers to the Trustee of record, the sum of \$45.00, included herein as 'Reconveyance Fees', for the processing and recordation of the Reconveyance of the Deed of Trust securing the indebtedness covered hereby, and the escrow company or title company processing this pay-off is authorized to deduct the Reconveyance Fee from this Demand and forward said fee to the Trustee of record or the successor Trustee under the Trust Deed to be paid off in full.

NOTES
(Continued)

In the event that the reconveyance fee and the assignment, release or transfer are not included within the demand statement, then Fidelity National Title Insurance Company and its Underwritten Agent may decline to process the reconveyance and will be forced to return all documentation directly to the Beneficiary for compliance with the requirements of the revised statute.

8. The RESPA Rule to Simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Cost includes a provision for average charges, allowing settlement service providers to establish an average recording fee. Transactions opening after November 1, 2013; the average recording charge for all residential loan transactions (including refinances) is \$83.00 and the charge for all residential sale transactions with a purchase money loan is \$95.00. Divide the average between the buyer and seller as per contract or local custom. The average charge is applied regardless of the number of documents recorded in the transaction, the number of pages in each document or the actual recording charges. If your transaction is not a residential loan or sale with a new loan, please contact your title professional for the actual recording charges.
9. Note: Part of the RESPA Rule to simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Costs requires the settlement agent to disclose the agent and underwriter split of title premiums, including endorsements as follows:

Line 1107 is used to record the amount of the total title insurance premium, including endorsements, that is retained by the title agent. Fidelity National Title Company retains 88% of the total premium and endorsements.

Line 1108 used to record the amount of the total title insurance premium, including endorsements, that is retained by the title underwriter. Fidelity National Title Insurance Company retains 12% of the total premium and endorsements.

END OF NOTES

**Fidelity National Financial, Inc.
Privacy Statement**

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies – We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties – We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access to Personal Information/Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Privacy Policy Effective Date: 5/1/2008

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

FNTC - Fidelity National Title Company
FNTCCA – Fidelity National Title Company of California

FNF Underwriter

FNTIC - Fidelity National Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

FEE REDUCTION SETTLEMENT PROGRAM (FNTC, FNTCCA and FNTIC)

Eligible customers shall receive \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in The People of the State of California.

DISASTER LOANS (FNTIC)

The charge for a lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is the subject of your current transaction, you must – prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective through November 1, 2014

ATTACHMENT ONE (Revised 06-03-11)

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990**

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

Attachment One (06/03/11)

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
- This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A
- The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

		Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:		1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:		1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:		1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:		1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- * land use
- * improvements on the land
- * land division
- * environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:

- * a notice of exercising the right appears in the public records
- * on the Policy Date
- * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:

- * that are created, allowed, or agreed to by you
- * that are known to you, but not to us, on the Policy Date – unless they appeared in the public records
- * that result in no loss to you
- * that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- * to any land outside the area specifically described and referred to in Item 3 of Schedule A

OR

- * in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

Attachment One (06/03/11)

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

Attachment One (06/03/11)

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

EXCLUSIONS FROM COVERAGE

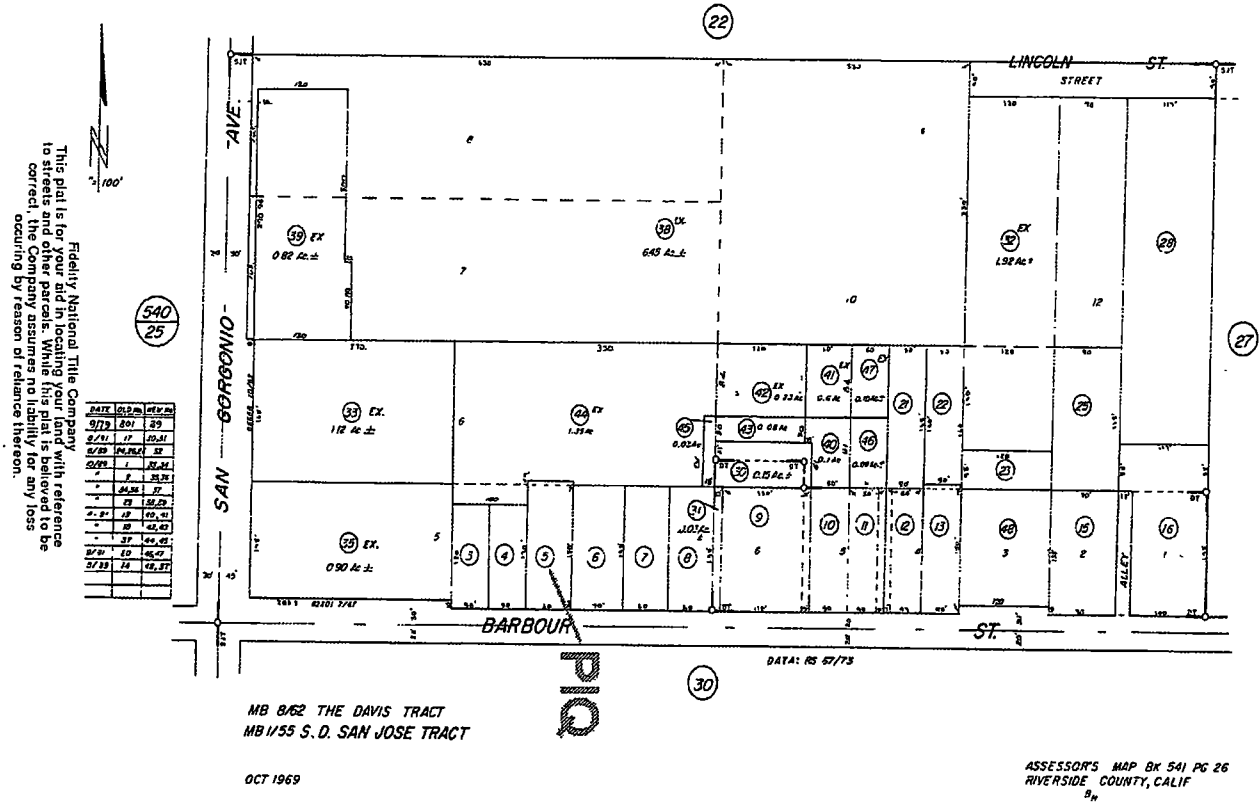
The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

24-6-1
541-26 T.C.A. 100

FOR S. 1/2 S.W. 1/4 SEC. 10, T. 3 S., R. 1 E.

THIS MAP IS FOR
ASSESSMENT PURPOSES ONLY

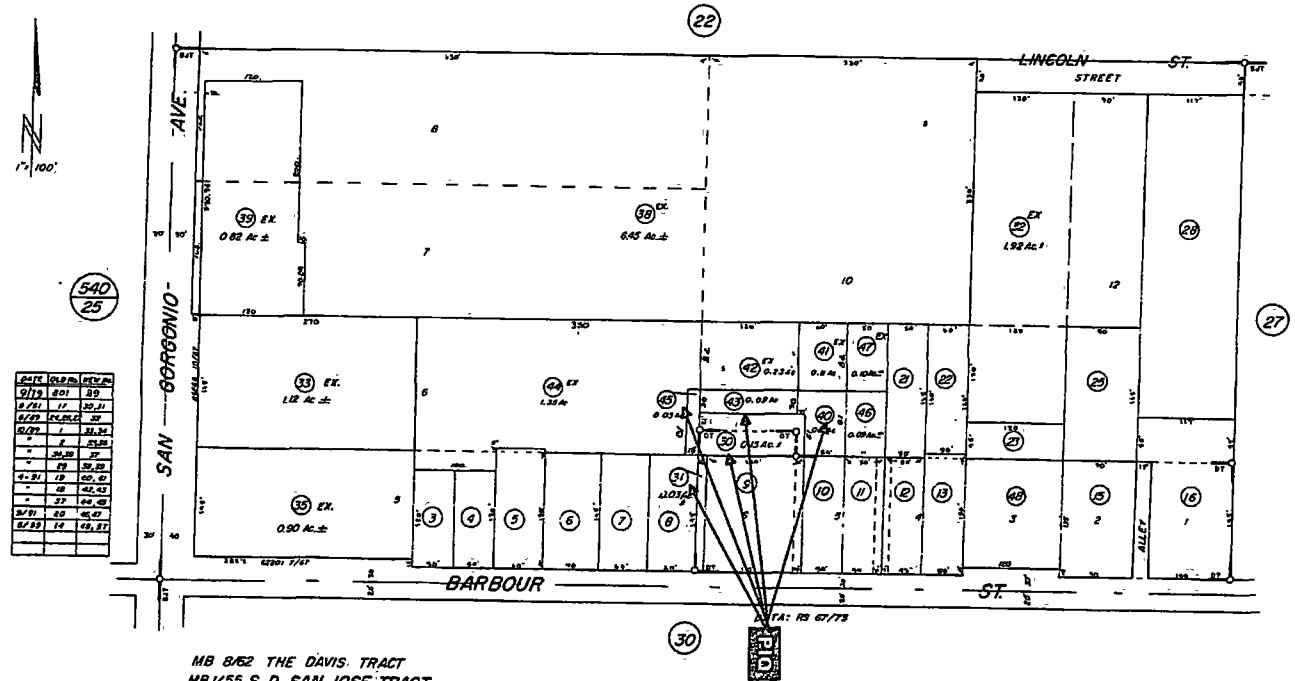


24-6-1
541-26

T.C.A. 100

POR. S.1/2 SW.1/4 SEC.10, T.3S.,R.1E.

THIS MAP IS FOR
ASSESSMENT PURPOSES ONLY



MB 8/62 THE DAVIS TRACT
MB 11/55 S. D. SAN JOSE TRACT

OCT. 1969

ASSESSOR'S MAP BK. 541 PG. 26
RIVERSIDE COUNTY, CALIF

29



Fidelity National Title Company

AMENDED PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, Fidelity National Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature



BY President
ATTEST Secretary

Authorized Signature

**CITY COUNCIL AGENDA
REPORT OF OFFICERS**

DATE: May 27, 2014

TO: City Council

FROM: Zai Abu Bakar, Community Development Director

SUBJECT: Ordinance No. 1477 – Amending Ordinance No. 842 and Chapter 15.20 of the Banning Municipal Code regarding Snow Load and Wind Load Requirements

RECOMMENDATION: That the City Council adopt Ordinance No. 1477 amending Ordinance No. 842 and Chapter 15.20 of the Banning Municipal Code regarding snow load and wind load requirements.

BACKGROUND: At the March 25, 2014 City Council Meeting, the City Council directed staff to investigate available wind data and to ascertain the extent of wind studies performed in the cities of Fontana, Rialto, and Beaumont where wind speed criteria exceed 85mph and continued the public hearing on the matter to April 22, 2014. This was to allow time for staff to gather the information requested by the City Council. At the April 22, 2014, the City Council continued the public hearing to May 27, 2014 to allow additional time for staff to analyze the data received. Minutes of these meetings are attached.

Staff conferred with the Building Officials and former Building Officials from the cities of Fontana, Rialto, and Beaumont. These cities did not conduct a wind study, but used values that had been previously used in their respective jurisdictions.

Staff received raw wind data and highest wind speed tables from Mr. Tim Chavez, Battalion Chief, Cal Fire Riverside Unit, Beaumont Battalion and Banning City Fire Service. The data covers a ten year period of wind speed recordings that were recorded once per hour for ten years. The data includes approximately 90,000 entries.

Below is a short table summarizing the extremes of the wind velocity data available at the Beaumont Remote Weather Station (RAWS) located at 1550 E. Sixth Street, Beaumont, and the same time periods at the Banning Airport Automated Weather Observation Stations (ASOS) located at the Banning Municipal Airport.

The following assumptions and limitations apply to the data:

- The wind speeds recorded at the RAWS and at the ASOS are a once per hour sample of wind velocity that may have missed a peak gust or period of stronger winds.
- The data is from the period 2003 to the present.
- The Beaumont RAWS uses a 20' mast for the anemometer and the Banning AWOS uses a 10 meter mast (32.8').
- ASOS stations transmit a two (2) minute mean wind speed near the top of the hour.

- RAWs transmits a ten (10) minute mean wind speed prior to data transmission time.
- "M" indicates missing data.

TEN HIGHEST RECORDED WIND SPEEDS 2003 - 2013			
Date	Time	20' wind Beaumont	30' wind Banning Airport
11/21/2004	0700	54	M
10/22/2007	0300	32	37
10/22/2007	0500	31	32
10/22/2007	0400	30	28
10/22/2007	0600	30	36
10/22/2007	0000	29	M
04/08/2006	1400	28	10
12/16/2003	1100	27	31
02/03/2005	1000	27	M

The California Building Code does not identify a 2 minute mean wind speed that has been taken once per hour. The Code identifies the design requirements based on the fastest 3 second gust wind speed. Unfortunately, there is a high probability that we do not have the fastest 3 second gust wind for the region when we are only recording the wind speed at 2 minute intervals within the hour. The 2 minutes within 60 minutes represents only 3.33% of the time that we have data for wind speed that has been recorded.

For the sake of continuity and consistency, we looked at the surrounding jurisdictions listed below and as indicated on Map 1.

Wind Speed – 3 second gust

Moreno Valley, San Bernardino, Redlands, Calimesa, Yucaipa: 85mph (ASD)

Beaumont: 100mph (ASD)

Palm Springs: 95mph (ASD)



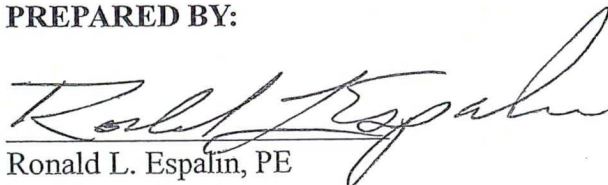
Staff recommends that Banning's wind speed be consistent with local jurisdiction wind speed criteria. The wind speed for Banning should read as follows:

- California Residential Code (ASD)
 - 100 miles per hour
- Commercial (Ultimate)
 - Risk Category 1 – 120 miles per hour
 - Risk Category II – 130 miles per hour
 - Risk Category III & IV – 135 miles per hour

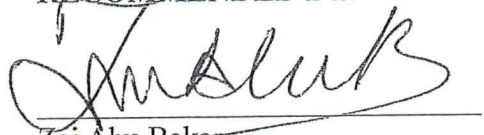
FISCAL DATA:

There is no added fiscal impact associated with this request.

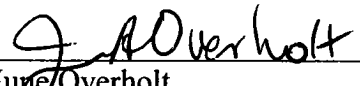
PREPARED BY:


 Ronald L. Espalin, PE
 Building Official

RECOMMENDED BY:


 Zai Abu Bakar
 Community Development Director

REVIEWED BY:



June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Homer Croy
Interim City Manager

Attachments:

1. Ordinance No. 1477
2. Minutes of March 25, 2014 and April 22, 2014
3. Existing Chapter 15.20 of the Banning Municipal Code related to Wind and Snow Load Requirements

ATTACHMENT 1
ORDINANCE NO. 1477

ORDINANCE NO. 1477

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AMENDING ORDINANCE NO. 842 AND CHAPTER 15.20 OF THE BANNING MUNICIPAL CODE REGARDING SNOW LOAD AND WIND LOAD REQUIREMENTS

WHEREAS, the City of Banning is geographically located in the San Gorgonio Pass. The San Gorgonio Pass is bounded on the north by the foothills of the San Bernardino Mountains and the south by the foothills of the San Jacinto Mountain Range. This unique geography creates a constriction of the air mass as it passes through the City of Banning, resulting in more frequent winds and winds with increases in velocity.; and

WHEREAS, the City Council desires to amend Ordinance No. 842 and Chapter 15.20 of the Banning Municipal Code to provide reasonable wind load standards to protect health, safety, and welfare of the residents of the City; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true and correct.

SECTION 2. Amendment to Ordinance No. 842 and Chapter 15.20 of the Municipal Code. Ordinance No. 842 and Chapter 15.20 of the Municipal Code is hereby amended and replaced in its entirety as set forth below.

“CHAPTER 15.20 WIND SPEED REQUIREMENTS

15.20.010 Designated Wind Speed.

The wind speed for Banning shall read as follows:

California Residential Code (ASD)

- 100 miles per hour

Commercial (Ultimate)

- Risk Category 1 – 120 miles per hour
- Risk Category II – 130 miles per hour
- Risk Category II & IV – 135 miles per hour”

SECTION 3. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the

validity of the remaining portions of this Ordinance. The City Council of the City of Banning hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 4. Publication; Effective Date. The City Clerk shall certify to the passage and adoption of this ordinance, and shall make a minute of the passage and adoption thereof in the records of and the proceedings of the City Council at which the same is passed and adopted. This ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and shall be published in accordance with the law.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 2014.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk

CERTIFICATION:

State of California)
County of Riverside) SS
City of Banning)

I, Marie A. Calderon, City Clerk of the City of Banning, do hereby certify that Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Banning, held on the ____ day of ____ 2014, and was duly adopted at a regular meeting of said City Council on the _____ day of _____ 2014, by the following vote, to wit:

AYES:	COUNCILMEMBER:
NOES:	COUNCILMEMBER
ABSENT:	COUNCILMEMBER
ABSTAIN:	COUNCILMEMBER

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2

MINUTES OF MARCH 25, 2014 AND APRIL 22, 2014

maybe two of the local community members could assist us in a low-cost educational component that we would consider that and she is following up on that. She said the City cannot do any advocacy.

Councilmember Peterson said in regards to the Wastewater that one is kind of frightening and if there is some type of raise of water rates, what is the name of the company that is out there now that controls it and when does their contract expire.

Interim City Manager said the way their contract is functioning right now is on a month to month basis and the last time that it came before Council which became apparent to her was that they have had no cost of living adjustment so at some point in the future as time permits then we will do a bid and see how that is progressing.

Councilmember Peterson said maybe we should take a look if it is on a month to month and look at cutting costs before we take any kind of a hint of raising water rates.

Interim City Manager said we always do that and will absolutely receive what you are saying. One thing, for the education of public, and you are aware of this is that anything related to sewer has some pretty stiff fines when it comes to how it is discharged and with the State so we want to make sure that we are always in compliance. One of the things that the department has been working very hard to do is to make sure that the plant repairs are being done in a timely fashion so that we are never on the hook for having discharged something that we shouldn't have discharged and there is the compliance that governs it and it is very strict and limits how much we can truly cut back on.

Mayor Franklin opened the item for public comments. There were none. She asked if there were any comments from the Council.

Councilmember Miller said that in regards to the TOT it is a tax for the hotels and motels for visitors and that is \$300,000 per year that the City gets and as a comparison if somebody builds a \$5 million dollar building and we get the property tax from, the property tax is essentially less than \$10,000 a year so if you compare those two you see how absolutely necessary the TOT tax will be for us.

Motion Welch/Miller that the City Council approve Resolution No. 2014-20; Resolution No. 2014-04 UA; and Resolution No. 2014-06 SA Authorizing the Administrative Services Director to make necessary Budget adjustments to implement the mid-year analysis. Motion carried by roll call vote 5/0.

Mayor Franklin recessed the joint meeting and reconvened the regular City Council Meeting.

PUBLIC HEARINGS

1. Ordinance No. 1477 of the City Council of the City of Banning Repealing Ordinance No. 842 and Chapter 15.20 of the Municipal Code Regarding Designating Snow Load and Wind Load.
(Staff Report – Ron Espalin, Building Official)

Mr. Espalin gave the staff report as contained in the agenda packet. He said every three years the State Building Standards Commission publishes new codes and every three years the City Council adopts those standards. The last time the City took action was late October/November 2013 and those new codes became effective January 1, 2014. In those standards are published wind and snow loads that are used throughout the State of California. In 1965 Ordinance No. 842 was adopted and adopted snow loads and wind force loads and it made reference to the Uniform Building Code and that was approximately 49 years ago and that code no longer exists. Mr. Espalin went over the method of calculating wind forces. He said the Health and Safety Code permits the local jurisdictions to modify the published code and you can go to a higher value if you have findings and substantiating data that justifies those increases. Based on the information that they were able to collect and the loads that are published in the building code there doesn't exist sufficient data to modify those loads. Staff is recommending that the Council adopt Ordinance No. 1477 by repealing Ordinance No. 842 in Chapter 15.20 of the Banning Municipal Code.

Mayor Franklin opened the item for Council questions.

Councilmember Miller said this seems fairly reasonable but it is a big change and he explained. He asked if this is the ordinance that cities around us also used and did they use 85 mph as the standard.

Mr. Espalin said that most of the cities used 85 mph. It is his understanding that the City of Fontana and Rialto have higher speeds.

Councilmember Miller asked if the City of Beaumont also used 85 mph. Mr. Espalin said that Beaumont uses 100 mph.

There was further Council discussion in regards to the wind speed and the importance of wind speed and problems with construction and being in compliance with the State Building Code.

Mayor Franklin opened the item for public comments.

Jerimiah Price addressed the Council stating that he managed a ski resort for ten years and this factor of load is very, very important and we are missing some things here because we are talking about what has happened this year and things like that. He said he has seen winds much higher than what is being discussed here in the Pass and Banning does have higher winds than Beaumont. The other thing about load is that we are calculating just wind speed load but many times this can happen with snow already on the roofs. He thinks that we are really pushing it to bring it down to 25 lbs. He has also managed construction projects and he can see how this would save people money building but we are also probably setting ourselves up possibly for a major disaster if we have a one-time occurrence. We really need to consider this because this could be causing some serious problems.

Don Smith addressed the Council stating that we don't get snow like we used to and he does not know what the circular pattern of snow is but he can think of two times that we had over a

foot of snow in the front yards. He doesn't know whether the 43 mph is sustained winds or gusted winds but if they are gusted winds we have had those significantly more of 43 mph. It seems to him the wind tunnel we are in seems to be similar to the exact same wind tunnel that Beaumont, Rialto and Fontana are in. He doesn't know what their reasons are for the 100 mph and doesn't know what studies they did. Our study seems to be that we asked some guy at the airport what he thinks and that concerns him that it is not a very good study and perhaps we should do a better study. But perhaps Beaumont, Rialto and Fontana actually did do studies and 100 is the answer; he doesn't know. He is worried that our study does seem to be much of a study.

Mayor Franklin closed the public comment period and brought it back to the Council for discussion.

There was further Council discussion regarding the difference between Banning and Beaumont in regards to the wind, and the need for data.

Motion Miller/Peterson that we modify the proposal so the wind load calculation is 100 mph and not the 85 mph.

Mayor Franklin asked if there was any other source of documentation for winds in our area.

Mr. Espalin said he did check with the National Climatic Data Center and wasn't able to identify wind data from them. But the Fire Chief just informed him that he does have forty years of wind speed data from the Beaumont Station and we can investigate that.

Councilmember Miller amended his motion to continue this item until we get further information about weather patterns in our city. Motion seconded by Councilmember Peterson. Motion carried by roll call vote 5/0.

There was Council consensus that this item be brought back to the Council Meeting of April 22, 2014.

REPORTS OF OFFICERS

1. San Gorgonio Pass Water Agency Proposed Water Policies
(Staff Report – Duane Burk, Public Works Director)

Director Burk gave the staff report as contained in the agenda packet. He said that this is a letter he is asking the Council to support to respond to the San Gorgonio Pass Water Agency's proposed water policies in regards to policies for future water demands, policies regarding the ordering of water and policies establishing a water shortage plan. He further explained as to why these policies don't work well for the retailers.

Councilmember Peterson said he knows that we have several issues here but the only thing that concerns him on the letter is that he looked at the "CC's" and he doesn't see the City Attorney there and he would like to have the City Attorney go over the letter before it goes out and he be included.

Councilmember Miller said that in regards to the parking lot in Repplier Park which was approved on October 22, 2014 there were some questions then as to whether or not that should be done and the contracts specify that the contracts be given by the end of the year. So he would like this continued until we verify this is legal based upon the fact that the original grant specified that all contracts had to be done by the end of the year.

Interim City Manager said he has looked into this issue and what he discovered was that end of year includes the end of the fiscal year. So we have until June 30th of this year to encumber some funds of the \$400,000 from the Community Development Block Grant to make sure that we don't lose the grant. So we are requesting to stake out the parking lot issue and to make sure that we don't lose the rest of the money so we can decide how to expend the money on the rest of the location at the park.

Councilmember Miller said so this would be fiscal year and not calendar year. Interim City Manager said that was correct.

Motion Miller/Welch to approve Consent Item No. 4 adopting Resolution No. 2014-23, Approving the Professional Services Agreement with Cozad & Fox of Hemet, California for Engineering Staking Services for an amount of "not to exceed" \$7,500.00; and the City Manager is authorized to execute the Professional Services Agreement with Cozad & Fox of Hemet, California, for Engineering Staking Services. Mayor Franklin opened the item for public comments; there were none. Motion carried, all in favor with Councilmember Westholder absent.

PUBLIC HEARINGS

1. Request to Continue the Public Hearing to a Future Date Regarding Ordinance No. 1477 of the City Council of the City of Banning Repealing Ordinance No. 842 and Chapter 15.20 of the Municipal Code Regarding Designating Snow Load and Wind Load.
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar gave the staff report as contained in the agenda packet.

Mayor Franklin asked the Council if they had any questions; there were none. She then opened the item for public comments; there were none.

Motion Welch/Miller that the City Council continue the public hearing to May 27, 2014.

City Attorney said to clarify we will leave the public hearing open and continue the public hearing to that date.

Motion carried, all in favor with Councilmember Westholder absent.

Joint Meeting

ATTACHMENT 3

EXISTING CHAPTER 15.20 OF THE BANNING MUNICIPAL CODE REGARDING WIND AND SLOW LOAD REQUIREMENTS

Chapter 15.20

WIND AND SNOW LOAD REQUIREMENTS

Sections:

- 15.20.010 Designated snow load.**
- 15.20.020 Designated wind pressure.**
- 15.20.030 Roof drainage system.**

15.20.010 Designated snow load.

In compliance with Chapter 23 of the Uniform Building Code and additional climate data the minimum snow load shall be designated as thirty pounds per square feet (PSF), for roof systems. (Code 1965, § 6-11.01.)

15.20.020 Designated wind pressure.

In compliance with Chapter 23 of the Uniform Building Code Tab 23(f) Figure One and additional supporting data, the minimum wind pressure is thirty-five pounds per square foot (PSF), for structural wall systems. (Code 1965, § 6-11.02.)

15.20.030 Roof drainage system.

Upon submittal of a commercial/industrial building plan, the department of building and safety may exceed the normal requirements of the Uniform Building Code for requirement roof drainage and may at its discretion require additional overflow and water buildup blockage drain systems. (Code 1965, § 6-11.03.)

**CITY COUNCIL AGENDA
PUBLIC HEARING**

Date: May 27, 2014

TO: City Council

FROM: Alex Diaz, Interim Chief of Police

SUBJECT: Resolution 2014-30. 2014 Edward Byrne Memorial Justice Assistance Grant

RECOMMENDATION: “The City Council conduct a Public Hearing and accept grant funds provided by the Office of Justice Programs in the amount of \$12,623 to cover overtime costs for police officers managing Banning Police Activities League (BPAL) activities.”

JUSTIFICATION: The Police Department proposes to use the grant funds to cover overtime costs of police officers and non-sworn personnel to manage BPAL activities. The use of grant funds to cover this cost will allow our employees to continue their commitment to the department’s youth programs.

BACKGROUND: On April 24, 2014 the Banning Police Department was notified by the U.S. Bureau of Justice Assistance that it was eligible to apply for the 2014 Edward Byrne Memorial Justice Assistance Grant in the amount of \$12,623. Per U.S. Department of Justice regulations, a public hearing must be conducted to allow citizens to make comments on the intended use of the noted grant funds before funding can be approved.

ACTION PLAN: Conduct a public hearing and receive Banning City Council approval to accept the 2014 Edward Byrne Memorial Justice Assistance Grant in the amount of \$12,623 to fund overtime for employees who participate in B.P.A.L. activities.

STRATEGIC PLAN INTEGRATION: Council approval of this recommendation will help facilitate the Police Department’s goals of improving the department’s image in the community and maintain its high level of commitment to youth programs.

FISCAL DATA: Accepted Byrne Grant funds will be appropriated to the Police Department’s Overtime Account to pay overtime costs of department employees managing BPAL activities.

RECOMMENDED BY:



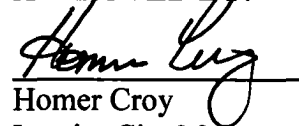
Alex Diaz
Interim Chief of Police

REVIEWED BY:



June Overholt
Administrative Services Director

APPROVED BY:



Homer Croy
Interim City Manager

RESOLUTION NO. 2014-30

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BANNING AUTHORIZING THE ACCEPTANCE OF THE 2014 U.S. DEPARTMENT OF JUSTICE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT IN THE AMOUNT OF \$12,623 TO BE USED FOR POLICE DEPARTMENT OVERTIME.

WHEREAS, having completed a public hearing on the proposed use of the 2014 U.S. Department of Justice Byrne Grant; and

WHEREAS, the City of Banning Police Department is committed to bringing together the Police Department, Community, and City Leaders to reduce the crime in the City of Banning; and

WHEREAS, the City of Banning Police Department is committed to working with the youth in the community to deter them from gang involvement; and

WHEREAS, the City's procedures requires the City Council to adopt a resolution authorizing the expenditure of funds procured through grants.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning approves the proposed use of the 2014 U.S. Department of Justice Edward Byrne Memorial Assistance Grant in the amount of \$12,623 and upon award of the grant appropriates those funds to the Banning Police Department Overtime Account (001-2200-421-1030). The Finance Department is authorized to make necessary budget adjustments related to these accepted funds.

PASSED, APPROVED, AND ADOPTED this 27th day of May, 2014.

Deborah Franklin, Mayor
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT

ATTEST

Aleshire & Wynder, LLP
City Attorney

Marie A. Calderon, City Clerk
City of Banning

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2014-30 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 27th day of May 2014, by the following to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

///

**CITY COUNCIL
REPORT OF OFFICERS**

DATE: May 27, 2014

TO: City Council

FROM: Duane Burk, Director of Public Works

SUBJECT: Continuing Decision Regarding Resolution No. 2014-10, "Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys" until June 10, 2014.

RECOMMENDATION: Continue the Council discussion and decision of Resolution No. 2014-10, "Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys" until June 10, 2014.

BACKGROUND: On January 2, 2014, the Planning Commission, by adoption of Resolution No. 2014-01, considered this request and determined that the proposed street vacation is consistent with the General Plan.

As part of the street vacation process on January 28, 2014, the City Council considered Resolution No. 2014-06 initiating the proceedings and setting the date, time and place for the public hearing (Streets and Highways Code § 8320). Resolution No. 2014-06 was approved by City Council and the date of the public hearing was set as February 25, 2014.

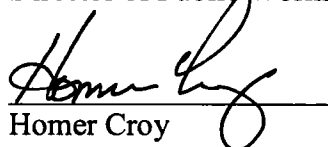
On February 25, 2014, City Council held the public hearing and closed the public hearing. Council directed staff to continue the hearing on March 25, 2014, and established an Ad Hoc Committee to meet with city staff and representatives from the developer to further discuss the VPSG project. On March 25, 2014 City Council directed staff to further continue the hearing on April 22, 2014. The Ad Hoc Committee has met and is in the process of scheduling a meeting with Riverside County officials to discuss the VPSG project. On May 13, 2014, City Council further directed staff to continue the item until May 27, 2014. Discussions are continuing with the developer, City Staff and Riverside County officials.

Staff is requesting that Council continue the approval of Resolution No. 2014-10, "Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys" until June 10, 2014.

RECOMMENDED BY:

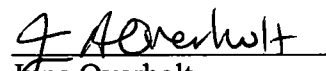


Duane Burk
Director of Public Works



Homer Croy
Interim City Manager

APPROVED BY:



Jane Overholt
Administrative Services Director/
Deputy City Manager

ATTACHMENT 1
February 25, 2014 Staff Report and Resolution 2014-10

**CITY COUNCIL
PUBLIC HEARING**

DATE: February 25, 2014

TO: City Council

FROM: Duane Burk, Director of Public Works

SUBJECT: Resolution No. 2014-10, "Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys"

RECOMMENDATION: Adopt Resolution No. 2014-10, "Vacation of a Portion of Livingston Street, Alessandro Road and Adjacent Alleys."

BACKGROUND: JMA Village, LLC of Laguna Niguel, California along with Vanir Development Company, Inc. of San Bernardino, California are proposing to construct an approximately 68,955 square foot mixed-use commercial project on the Site named "Village at Paseo San Gorgonio" ("VPSG"). The project is generally bounded by Ramsey Street to the north, Livingston Street to the south, San Gorgonio Avenue to the west and Martin Street to the east and consists of thirteen (13) parcels, Assessor's Parcel Numbers 541-181-009, 541-181-010, 541-181-011, 541-181-012, 541-181-024, 541-181-025, 541-181-026, 541-181-027, 541-181-028, 541-183-001, 541-183-002, 541-183-003 and 541-183-004. The parcels make up Lots 19, 20, 21, 22, 23, 24 of Block 29, 30 and 31 of Amended Map of the Banning Land Company recorded on March 11, 1890 in what was San Bernardino County at the time of recordation.

The VPSG project site is located within the Downtown Redevelopment Project component area of the Merged Redevelopment Project Area. The Community Redevelopment Agency of the City of Banning began acquiring the parcels that make up the VPSG project. The structures located on the site were considered to be economically obsolete and exhibited severe conditions of physical degradation and dilapidation. In its present condition all structures have been demolished and the bare soil exposed by the demolition has either been paved over or stabilized.

On January 10, 2012, City Council adopted Resolution No. 2012-03 approving the Purchase and Sale Agreement ("PSA") between the City of Banning and JMA Village, LLC. The PSA details the Terms and Conditions of the conveyance of certain parcels owned by the City to JMA Village, LLC for the development of the VPSG project which consist of the above mentioned parcels and areas within the streets and alleys to be vacated. If the vacation of the streets and alleys is approved the project site would consist of approximately 5.20 acres.

On September 11, 2013, staff received a written request from Vanir Development Company Inc., on behalf of JMA Village, LLC to vacate Livingston Street from San Gorgonio Avenue to Martin Street, Alessandro Road from Ramsey Street to Livingston Street and the alley (10 feet wide) along the north lot lines of Lots 23, 24 and 25 and along the east lot line of Lot 23. The

subject roads are currently accessible to vehicular traffic, whereas the alleys are no longer in use.

The portion of Livingston Street, Alessandro Road and alleys proposed for vacation is more particularly described in Attachment 1 (Exhibit A, legal description and Exhibit B, plat map). A location/vicinity map is included with the report for reference (see Attachment 2). If approved, the subject area will be available to use as part of the proposed development. This action would be consistent with Program 2 of the Land Use Element of the General Plan (GP p. III-19) which encourages consolidation of lands to encourage development. Additionally, the subject portions of Livingston Street and Alessandro Road are not planned as part of the City's Proposed General Plan Street System as shown on Exhibit III-6 of the Circulation Element (see Attachment 3).

The City will require the reservation of a public utility easement and public ingress/egress easement as part of the street vacation process in order to serve the existing utilities along Alessandro Road and Livingston Street and continue to provide public access across the project site along Livingston Street. The proposed street and alley vacations are subject to the approval of Parcel Map No. 36285 (see Attachment 4), the parcel map for VPSG, which will be the document reserving said easements. A site plan of the proposed VPSG project has been included for reference as Attachment 5.


Streets and Highways Code § 8300 et seq., the Public Streets, Highways, and Service Easements Vacation Law (the "Law"), requires that where a city's general plan covers the area in which the street to be vacated exists, then it cannot proceed to vacate the street until the location, purpose, and extent of the vacation has been submitted to the City's Planning Commission for consideration of consistency with the General Plan (Streets and Highways Code § 8313(b) & Government Code § 65402). On January 2, 2014, the Planning Commission, by adoption of Resolution No. 2014-01, considered this request and determined that the proposed street vacation is consistent with the General Plan.

As part of the street vacation process on January 28, 2014 the City Council considered Resolution No. 2014-06 initiating the proceedings and setting the date, time and place for the public hearing (Streets and Highways Code § 8320). Resolution No. 2014-06 was approved by City Council and the date of the public hearing was set as February 25, 2014.

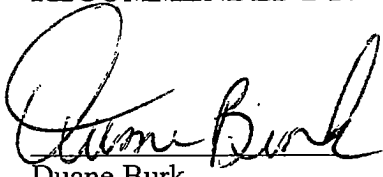
STRATEGIC PLAN: The vacation of the streets and the proposed project meet Strategic Plan item Goal No. 5 "Quality of Life", Strategic Priority Action Step A-5 (Continue to build an attractive and walkable downtown).

FISCAL DATA: There is no fiscal impact associated with the adoption of this resolution. However, should the applicant complete the proposed project, in addition to creating jobs, the project will generate revenues to the city in the form of building permit fees, inspection fees, utility connection fees and annual property tax.

SIGNATURES ON NEXT PAGE



RECOMMENDED BY:



Duane Burk
Director of Public Works

APPROVED BY:



June Overholt
Administrative Services Director/
Interim City Manager

Attachments:

- Attachment 1: Exhibit A, Legal Description
Exhibit B, Plat
- Attachment 2: Location Vicinity Map
- Attachment 3: Circulation Element
- Attachment 4: Parcel Map No. 36285
- Attachment 5: Site Plan

RESOLUTION NO. 2014-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA VACATING PORTIONS OF THOSE STREETS COMMONLY KNOWN AS LIVINGSTON STREET, ALESSANDRO ROAD AND ADJACENT ALLEYS

WHEREAS, the City of Banning desires to vacate portions of those roadways commonly known as Livingston Street, Alessandro Road and adjacent alleys located in the Amended Map of the Banning Land Company, per Map Book 9, Page 44 as originally recorded in the County of San Bernardino, 1890:

Parcel 1

A 10.00 wide Alley, lying southerly of Lot 27 of said Amended Map of the Banning Land Company, from the northerly prolongation of the easterly line of Lot 26 of said Amended Map of the Banning Land Company to the northerly prolongation of the easterly line of Lot 23 of said Amended Map of the Banning Land Company.

Parcel 2

A 10.00 wide Alley, lying between Lot 22 of said Amended Map of the Banning Land Company and said Lot 23, from the easterly prolongation of the southerly line of said Lot 27 and the northerly right of way line of Livingston Street (30.00 feet wide in the northerly half width) of said Amended Map of the Banning Land Company.

Parcel 3

Livingston Street (30.00 feet wide in northerly half width), from the southerly prolongation of the easterly line of said Lot 26 to the westerly right of way line of Martin Street (formally Potter Street) (60.00 feet in full width) of said Amended Map of the Banning Land Company and Livingston Street (30.00 feet wide in southerly half width), from the easterly right of way line of San Gorgonio Avenue (60.00 feet in full width) and said westerly right of way line of Martin Street.

Excepting therefrom that portion lying southerly of the northerly right of way line of Interstate Route 10 as shown on State of California of Transportation Right of Way Map Nos. 421533 and 421534.

Parcel 4

Alessandro Road (formally Ella Street) (60.00 feet in full width) of said Amended Map of the Banning Land Company, from the southerly right of way line of Ramsey Street (30.00 feet in southerly half width) and northerly right of way line of Livingston Street (30.00 feet in northerly half width) of said Amended Map of the Banning Land Company, and;

WHEREAS, pursuant to California Streets and Highways Code Sections 8300 et seq., the City Council has the authority and responsibility to resolve to vacate streets and highways within the City; and

WHEREAS, on January 2, 2014, the Planning Commission adopted Resolution No. 2014-01, finding that the vacation of the abovementioned portions of Livingston Street, Alessandro Road and adjacent alleys is consistent with the City of Banning's General Plan and recommending that the City Council vacate those portions of Livingston Street, Alessandro Road and adjacent alleys; and

WHEREAS, on January 28, 2014, the City Council set February 25, 2014 as the date on which it would hold a hearing for the purpose of considering the vacation of those portions of Livingston Street, Alessandro Road and adjacent alleys; and

WHEREAS, for two consecutive weeks on February 7, 2014 and February 14, 2014, the City gave public notice, by publishing in *Record Gazette* and by posting in prominent places on those portions of Livingston Street, Alessandro Road and adjacent alleys in compliance with Streets and Highways Code Section 8320, of the holding of the public hearing at which the City Council would consider the vacation of those portions of Livingston Street, Alessandro Road and adjacent alleys; and

WHEREAS, on February 25, 2014, the City Council held the noticed public hearing considering the vacation of those portions of Livingston Street, Alessandro Road and adjacent alleys, at which interested persons had an opportunity to testify in support of, or opposition to, the vacation of those portions of Livingston Street, Alessandro Road and adjacent alleys; and

NOW, THEREFORE, the City Council of the City of Banning does Resolve, Determine, Find and Order as follows:

SECTION 1. FINDINGS.

The City Council, in light of the whole record before it, including but not limited to, the City's General Plan, the recommendation of the Planning Commission as provided in the Staff Report dated January 2, 2014, and documents incorporated therein by reference and any other evidence within the record or provided at or prior to the public hearing of this matter, hereby finds and determines as follows:

1. Those portions of Livingston Street, Alessandro Road and adjacent alleys as described in this resolution are unnecessary for present or prospective public use.
2. The vacation of those portions of Livingston Street, Alessandro Road and adjacent alleys as described in this resolution is consistent with the City of Banning's General Plan.
3. No conditions precedent to the vacation of those portions of Livingston Street, Alessandro Road and adjacent alleys as described in this resolution exist or are necessary.

SECTION 2. CITY COUNCIL ACTION

The City Council hereby takes the following actions:

1. The City Council hereby recognizes that those portions of Livingston Street, Alessandro Road and adjacent alleys as described in this resolution are not necessary for present or prospective public use.

2. The City Council hereby orders vacated those portions of Livingston Street, Alessandro Road and adjacent alleys as described in this resolution.

3. The City Council hereby orders the City Clerk to record this Resolution with the County Recorder, which recording will make the vacation of those portions of Livingston Street, Alessandro Road and adjacent alleys as described in this resolution effective pursuant to Streets and Highways Code Section 8325.

PASSED, APPROVED and ADOPTED this 25th day of February, 2014.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon,
City Clerk of the City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2014-10 was adopted by the City Council of the City of Banning at a regular meeting thereof held on the 25th day of February, 2014, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon
City Clerk of the City of Banning
Banning, California

ATTACHMENT 1
Exhibit A: Legal Description
Exhibit B: Plat

EXHIBIT "A"
ROAD VACATION

Those portions of Section 10, Township 3 South, Range 1 East, in the City of Banning, County of Riverside, State of California, also shown on the Amended Map of the Banning Land Company as recorded in Map Book 9, Page 44, Records of San Bernardino County, California, described as follows:

Parcel 1

A 10.00 wide Alley, lying southerly of Lot 27 of said Amended Map of the Banning Land Company, from the northerly prolongation of the easterly line of Lot 26 of said Amended Map of the Banning Land Company to the northerly prolongation of the easterly line of Lot 23 of said Amended Map of the Banning Land Company.

Parcel 2

A 10.00 wide Alley, lying between Lot 22 of said Amended Map of the Banning Land Company and said Lot 23, from the easterly prolongation of the southerly line of said Lot 27 and the northerly right of way line of Livingston Street (30.00 feet wide in the northerly half width) of said Amended Map of the Banning Land Company.

Parcel 3

Livingston Street (30.00 feet wide in northerly half width), from the southerly prolongation of the easterly line of said Lot 26 to the westerly right of way line of Martin Street (formally Potter Street) (60.00 feet in full width) of said Amended Map of the Banning Land Company and Livingston Street (30.00 feet wide in southerly half width), from the easterly right of way line of San Geronio Avenue (60.00 feet in full width) and said westerly right of way line of Martin Street.

Excepting therefrom that portion lying southerly of the northerly right of way line of Interstate Route 10 as shown on State of California of Transportation Right of Way Map Nos. 421533 and 421534.

Parcel 4

Alessandro Road (formally Ella Street) (60.00 feet in full width) of said Amended Map of the Banning Land Company, from the southerly right of way line of Ramsey Street (30.00 feet in southerly half width) and northerly right of way line of Livingston Street (30.00 feet in northerly half width) of said Amended Map of the Banning Land Company.

Handwritten: 122
~~304~~

SEE PLAT ATTACHED HERETO AS EXHIBIT "B" AND MADE A PART HEREOF.

PREPARED UNDER MY SUPERVISION



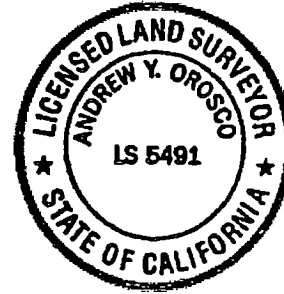
Andrew Y. Orosco, L.S. 5491

1-6-14

Date

Prepared by: 

Checked by: 



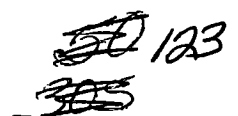
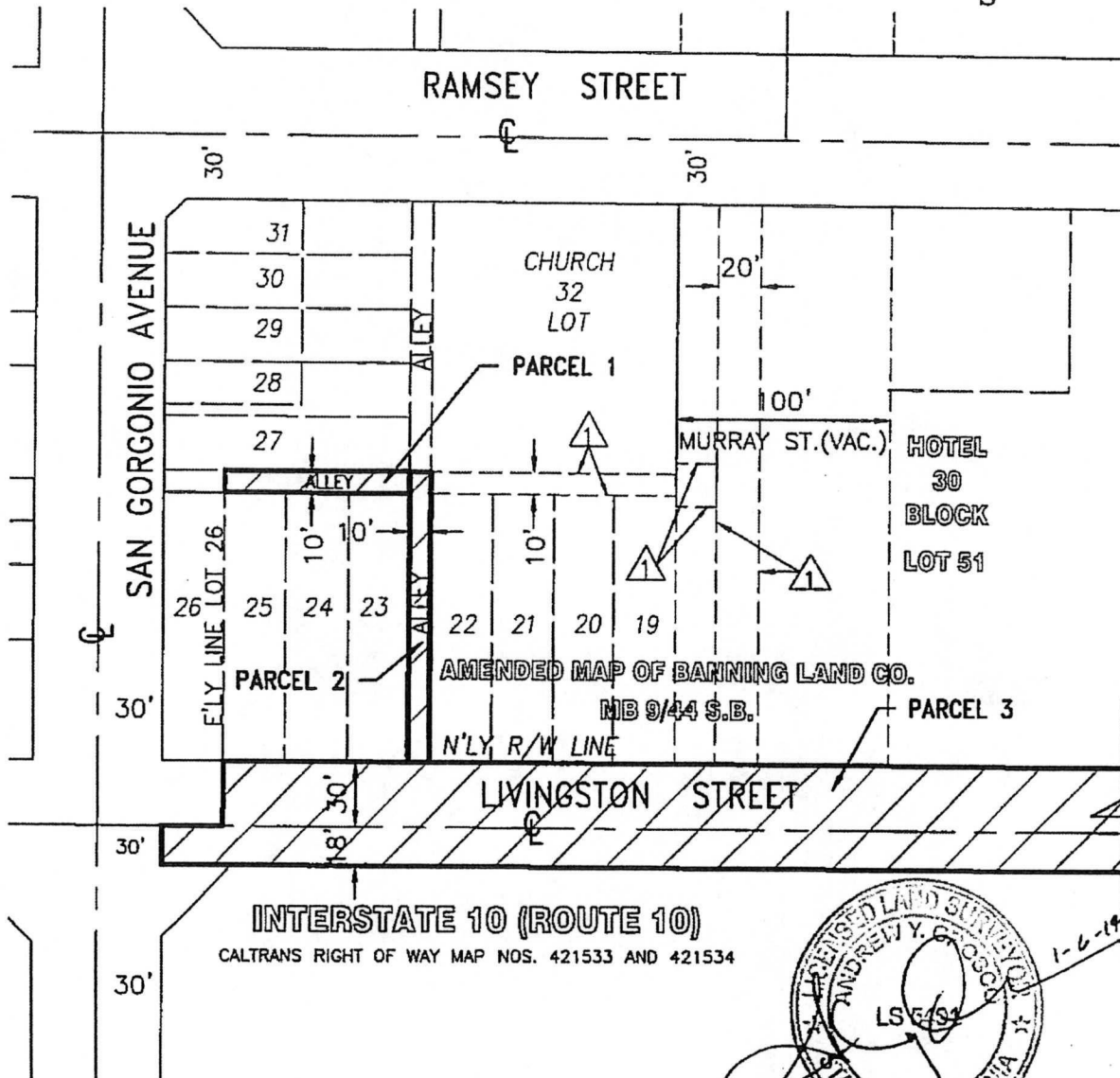
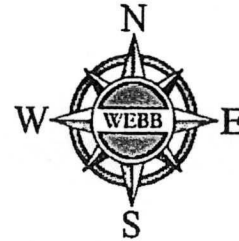
 123
305

EXHIBIT "B" ROAD VACATION



TO SOUTHERN CALIFORNIA GAS COMPANY, AN EASEMENT FOR RIGHT OF WAY, PIPELINES AND MAINTENANCE WITH THE RIGHT OF INGRESS AND EGRESS, RECORDED SEPTEMBER 14, 1977, AS INSTRUMENT NO. 179864, O.R.



SEE SHEET 2

ALBERT A.
WEBB
ASSOCIATES

CITY OF BANNING

G:\2009\09-0123\Parcel Map\09-123VAC.dwg 11/24/2013

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) IN THE ATTACHED DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DOCUMENT.

SHEET 1 OF 2

W.O.
09-0123

SCALE: 1"=80'

DRWN BY *AA*
CHKD BY *3/2/12*

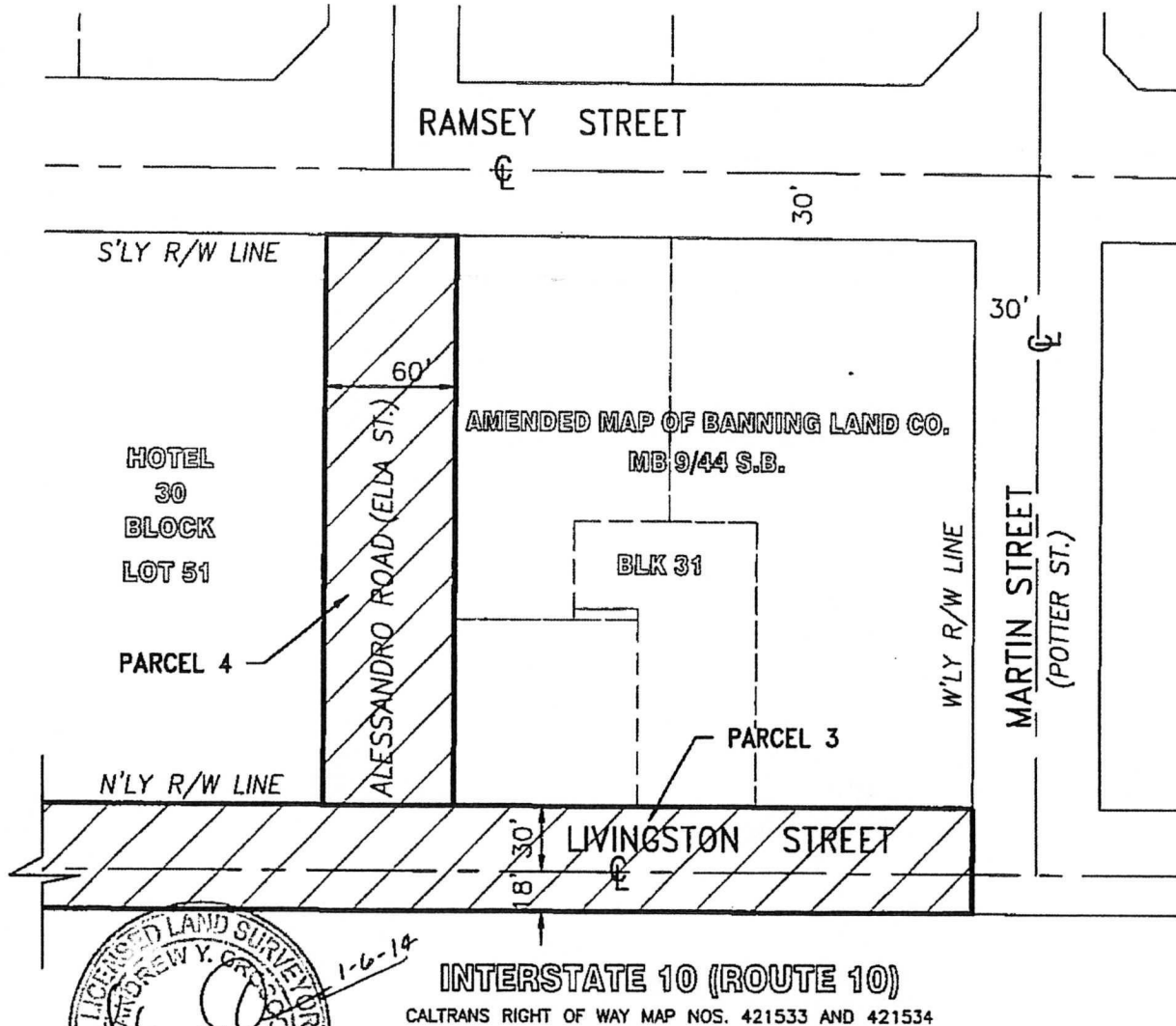
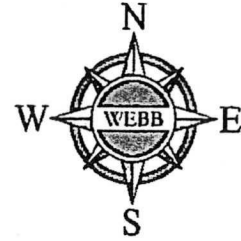
DATE *1/6/12*
DATE *11.6.12*

SUBJECT: ROAD VACATION

51 124
356

EXHIBIT "B"

ROAD VACATION



ALBERT A.
WEBB
ASSOCIATES

CITY OF BANNING

G:\2009\09-0123\Parcel Map\09-123VAC.dwg 1/6/2014

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) IN THE ATTACHED DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DOCUMENT.

SHEET 2 OF 2

W.O.
09-0123

SCALE: 1"=80'

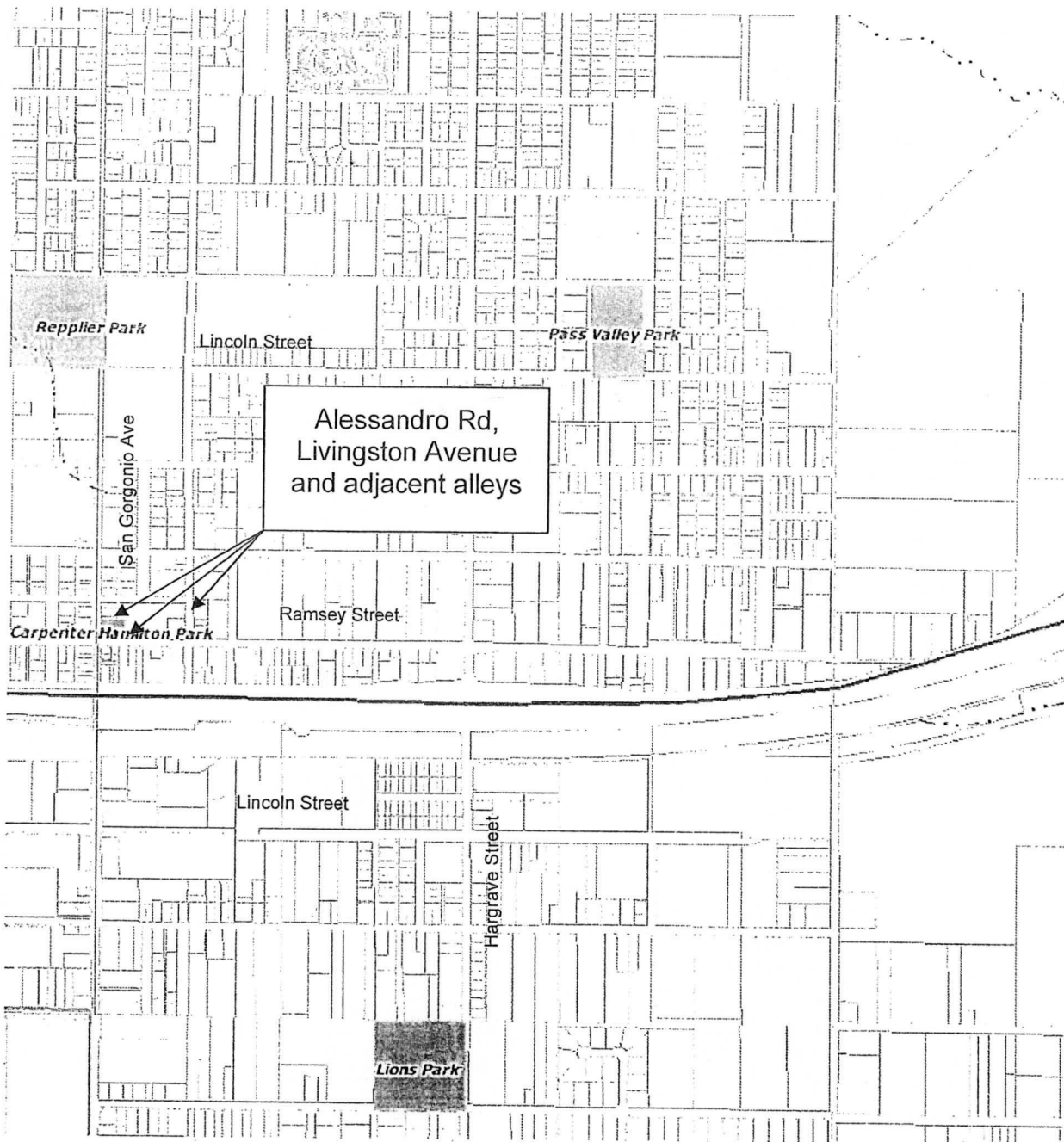
DRWN BY *AW*
CHKD BY *AW*

DATE *1/6/14*
DATE *1-6-14*

SUBJECT: ROAD VACATION

57 125
307

ATTACHMENT 2
Location/Vicinity Map

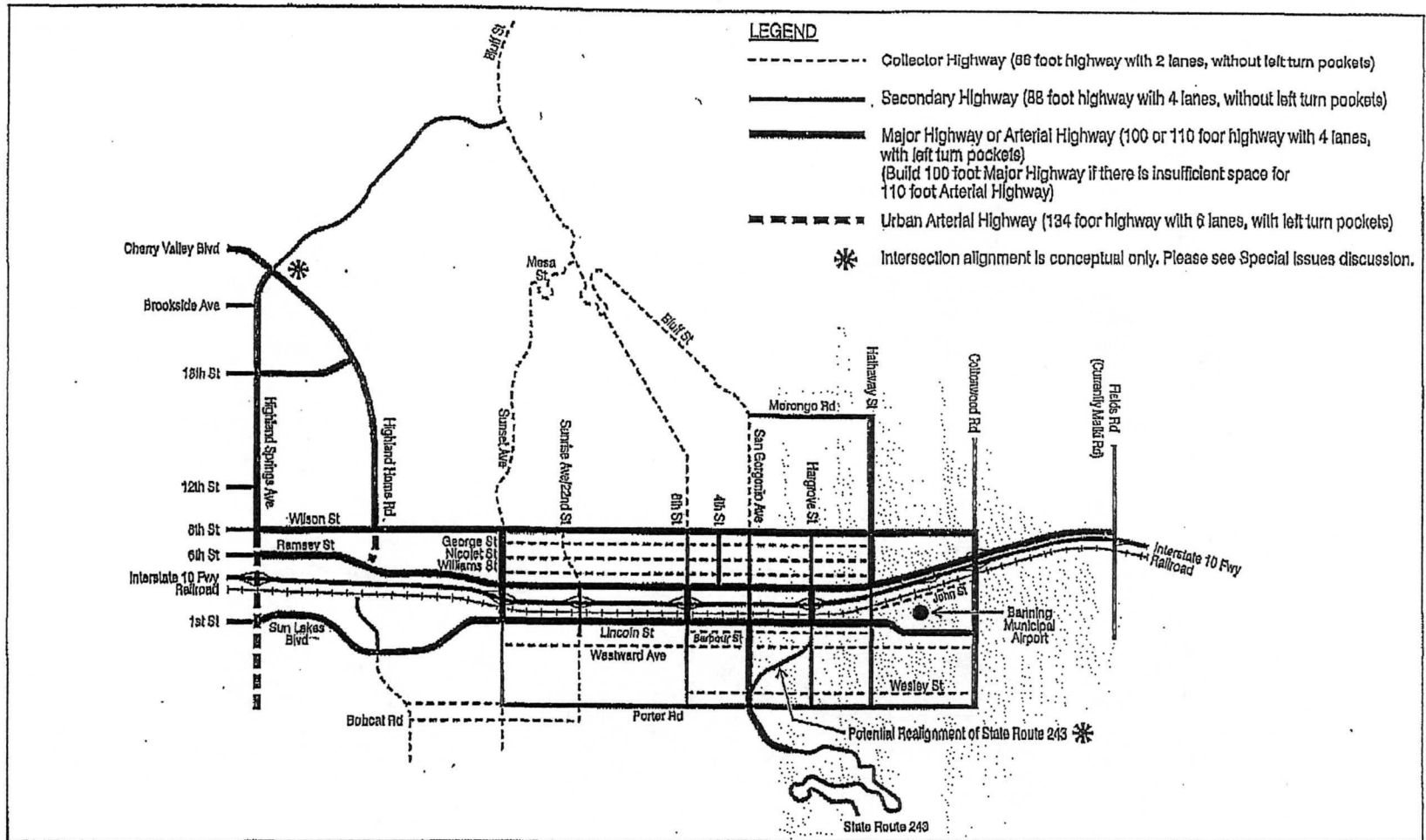


Not to Scale

Location Map

PH #13-12504

ATTACHMENT 3
Circulation Element



LSA

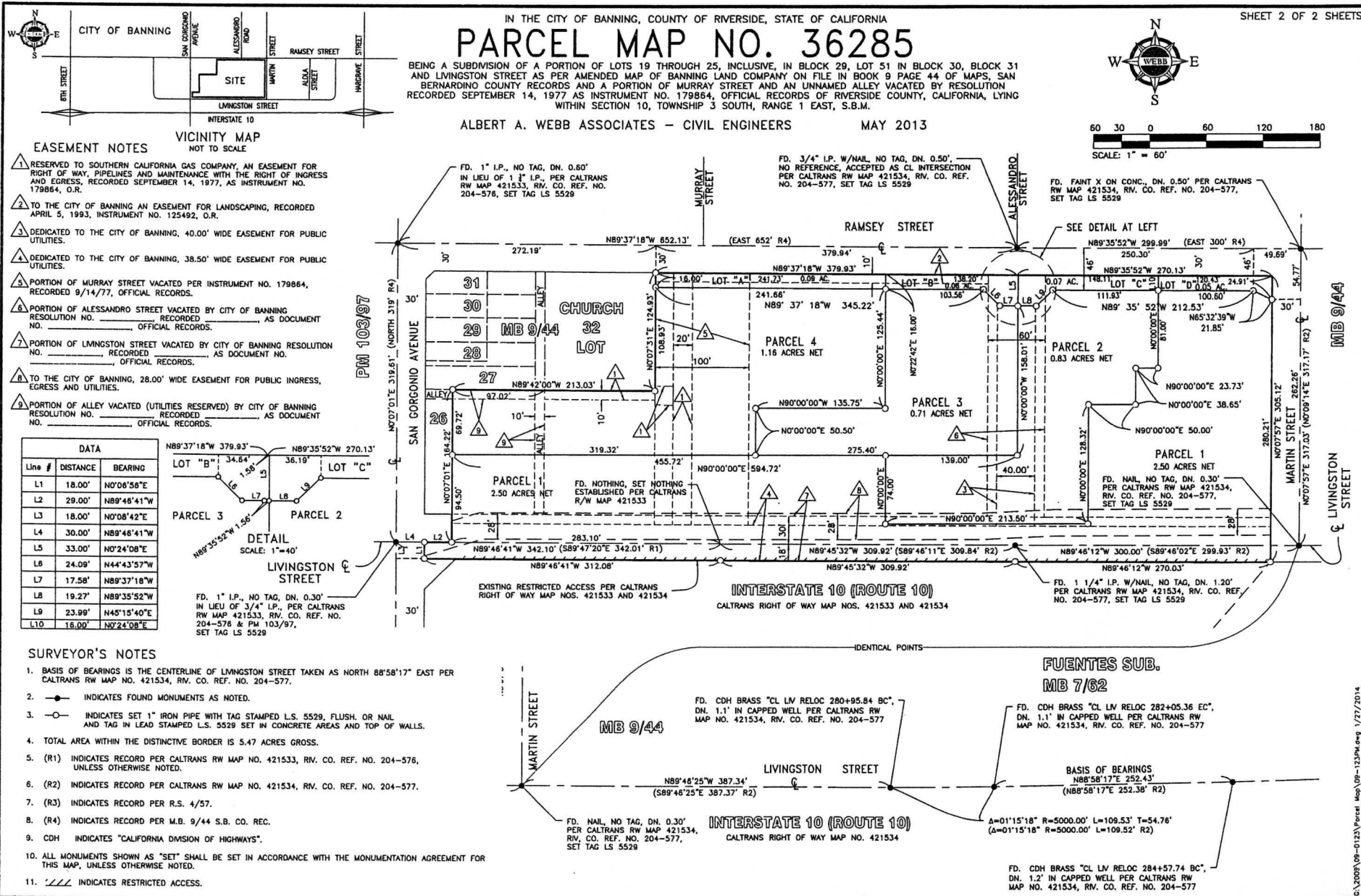


EXHIBIT III-5

Handwritten notes: "12/19" and "12/19" with initials.

ATTACHMENT 4
Parcel Map No. 36285

131
 131
 131



G:\2008\08-0123\Parcel Map\08-123\PM.dwg 1/7/2014

ATTACHMENT 5
Site Plan

**CITY COUNCIL AGENDA
RESOLUTION**

DATE: May 27, 2014

TO: City Council

FROM: Duane Burk, Director of Public Works

SUBJECT: Resolution No. 2014-35, "Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1"

RECOMMENDATION: The City Council adopt Resolution No. 2014-35 declaring the intention to levy and collect assessments within Landscape Maintenance District No. 1 (LMD No. 1) during the Fiscal Year 2014/15, pursuant to the "Landscaping and Lighting Act of 1972"; approving the Engineer's Report; and giving notice of the public hearing for renewal of said maintenance District.

JUSTIFICATION: It is essential to assess the property owners located within LMD No. 1 to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners.

BACKGROUND: The City Council authorized the formation of LMD No. 1 with the adoption of Resolution No. 1990-59 on August 14, 1990. An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution No. 2005-36 on May 10, 2005. A map displaying the District is attached herewith as Exhibit "A." Additionally the City Council approved Resolution No. 2014-08, initiating proceedings for the fiscal year update of the District, on February 25, 2014.

The proposed resolution basically accomplishes three goals for the fiscal year update and renewal of LMD No. 1. First, it provides the resolution of intention to levy and collect assessments; second, it permits the City Council to review and approve the Engineer's Report; and third, it sets the date and time for a public hearing. Subsequent to the approval of Resolution No. 2014-35, the City Council will be requested to confirm the assessments for Fiscal Year 2014/15.

The Engineer's Report, reflecting the detail of proposed assessments, was forwarded to the City Council under a separate cover. Upon approval of this resolution, the public hearing will be held at the regularly scheduled City Council meeting on June 10, 2014, at 5:00 p.m., as shown in attached Exhibit "B." A detailed list of tracts in LMD No. 1 and their respective assessments is shown as attached Exhibit "C."

A contract for the operation and maintenance of LMD No. 1 was awarded to Artistic Maintenance, Inc. at the regularly scheduled City Council meeting on May 13, 2014 through the adoption of Resolution No. 2014-24. Thus, for Fiscal Year 2014/2015, the Engineer's Report does not reflect a Consumer Price Index (CPI) percentage increase on the assessments over the last fiscal year due to

the savings the LMD No. 1 budget has incurred by utilizing a landscape contractor instead of Public Works staff.


FISCAL DATA: Based on the proposed assessments, the estimated revenues for Fiscal Year 2014/15 for Landscape Maintenance District No. 1 will be about \$136,562.00. If approved, the annual assessment for a single-family dwelling would remain the same as last fiscal year, ranging from \$98.91 to \$200.44. The assessment revenues will fund the landscape maintenance contract, staff time, electric and water utility costs, and miscellaneous costs (additional planting materials and irrigation repairs, County Assessor's Roll charge, Advertisement, etc.)

RECOMMENDED BY:



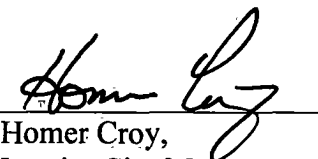
Duane Burk,
Director of Public Works

REVIEWED BY:



June Overholt,
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Homer Croy,
Interim City Manager

RESOLUTION NO. 2014-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DECLARING THE INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN LANDSCAPE MAINTENANCE DISTRICT NO. 1, DURING THE FISCAL YEAR 2014/15, PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR THE MAINTENANCE AND SERVICING OF LANDSCAPING, APPROVING THE ENGINEER'S REPORT, AND SETTING THE DATE FOR THE PUBLIC HEARING FOR THE LEVY OF SAID ASSESSMENT

WHEREAS, at its regularly scheduled meeting on August 14, 1990, the City Council of the City of Banning (City Council) adopted Resolution No. 1990-59, authorizing the formation of Landscape Maintenance District No. 1 (LMD No. 1); and

WHEREAS, at its regularly scheduled meeting on May 10, 2005, the City Council adopted Resolution No. 2005-36, ordering the annexation of an additional five tracts and three tentative tracts to the City's LMD No. 1; and

WHEREAS, at its regularly scheduled meeting on February 25, 2014, the City Council adopted Resolution No. 2014-08, initiating proceedings for the fiscal year renewal of Landscape Maintenance District No. 1 pursuant to the "Landscaping and Lighting Act of 1972," Part 2 (commencing with Sec. 22500) of Division 15 of the Streets and Highways code, for the maintenance and servicing of landscape medians, parkways, perimeter strips and slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities; and

WHEREAS, by said Resolution the City Council ordered the City Engineer to prepare and file a report with the City Clerk in accordance with Article 4 (commencing with Sec. 22565) of Chapter 1 of Part 2 of Division 15 of the Streets and Highways code; and

WHEREAS, the City Engineer has filed such report with the City Clerk, and such report has been presented to and considered by the City Council; and

WHEREAS, it is essential that the City Council adopt Resolution No. 2014-35, so that the City may assess and collect assessments from the property owners located within LMD No. 1; and

WHEREAS, the City Council hereby finds that the funding for LMD No. 1 is available through a special assessment of property owners located within the District.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. That the City Council hereby declares its intention to levy and collect assessments within Landscape Maintenance District No. 1 for the Fiscal Year 2014/15

pursuant to the "Landscaping and Lighting Act of 1972." The area to be assessed is located in the City of Banning, Riverside County. The boundaries of Landscape Maintenance District No. 1 are described in Exhibit "A," and are on file in the Office of the City Clerk.

SECTION 2. That the purpose of Landscape Maintenance District No. 1 is for the maintenance and servicing of landscape medians and parkways, perimeter strips and backup walls, landscaped hillsides with high visibility, side slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities.

SECTION 3. That the preliminary Engineer's Report, which is on file with the City Clerk and considered by the City Council at the meeting at which this Resolution has been adopted, is hereby approved and considered final. All interested persons are referred to that report for a full and detailed description of the work, the boundaries of the proposed assessment district, and the proposed assessments upon assessable lots and parcels of land within Landscape Maintenance District No. 1.

SECTION 4. That the City Clerk shall give notice of the time and place of said hearing by advertising a copy of the resolution once in the local newspaper and provide a posted notice not less than ten (10) days before the date of the hearing.

SECTION 5. That on Tuesday, June 10, 2014, at the hour of 5:00 p.m., during the course of its regularly scheduled meeting, the City Council will conduct a public hearing on the question of the levy of the proposed annual assessment. The hearing will be held at Banning City Hall, 99 E. Ramsey Street, Banning, California.

PASSED, ADOPTED AND APPROVED this 27th day of May, 2014.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon,
City Clerk of the City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2014-35 was adopted by the City Council of the City of Banning at the Regular Meeting thereof held on the 27th day of May, 2014.

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon,
City Clerk of the City of Banning

EXHIBIT "A"

**LANDSCAPE MAINTENANCE DISTRICT NO. 1
FOR
FISCAL YEAR 2014/15**

Map of Landscape Maintenance District No. 1

2014/2015



Legend

Existing Tracts

- 1. 21882 Snow Creek I
- 2. 22810 Dev. Corp
- 3. 22811 Dev. Corp
- 4. 22913 Arce Bros.
- 5. 23446 Highland Estates
- 6. 23598 Snow Creek II
- 7. 28252 Fair Oaks
- 8. 29721 The Pines
- 9. 30186 Wilson Homes
- 10. 30222 Wilson Homes
- 11. 30793 Fiesta Collection
- 12. 30906 Evergreen Estates
- 13. 31833 Fair Oaks
- 14. 31834 Fair Oaks
- 15. 31835 Fair Oaks
- 16. 32109 Sunset Ridge
- 17. 30642 Diversified Pacific Opportunity Fund

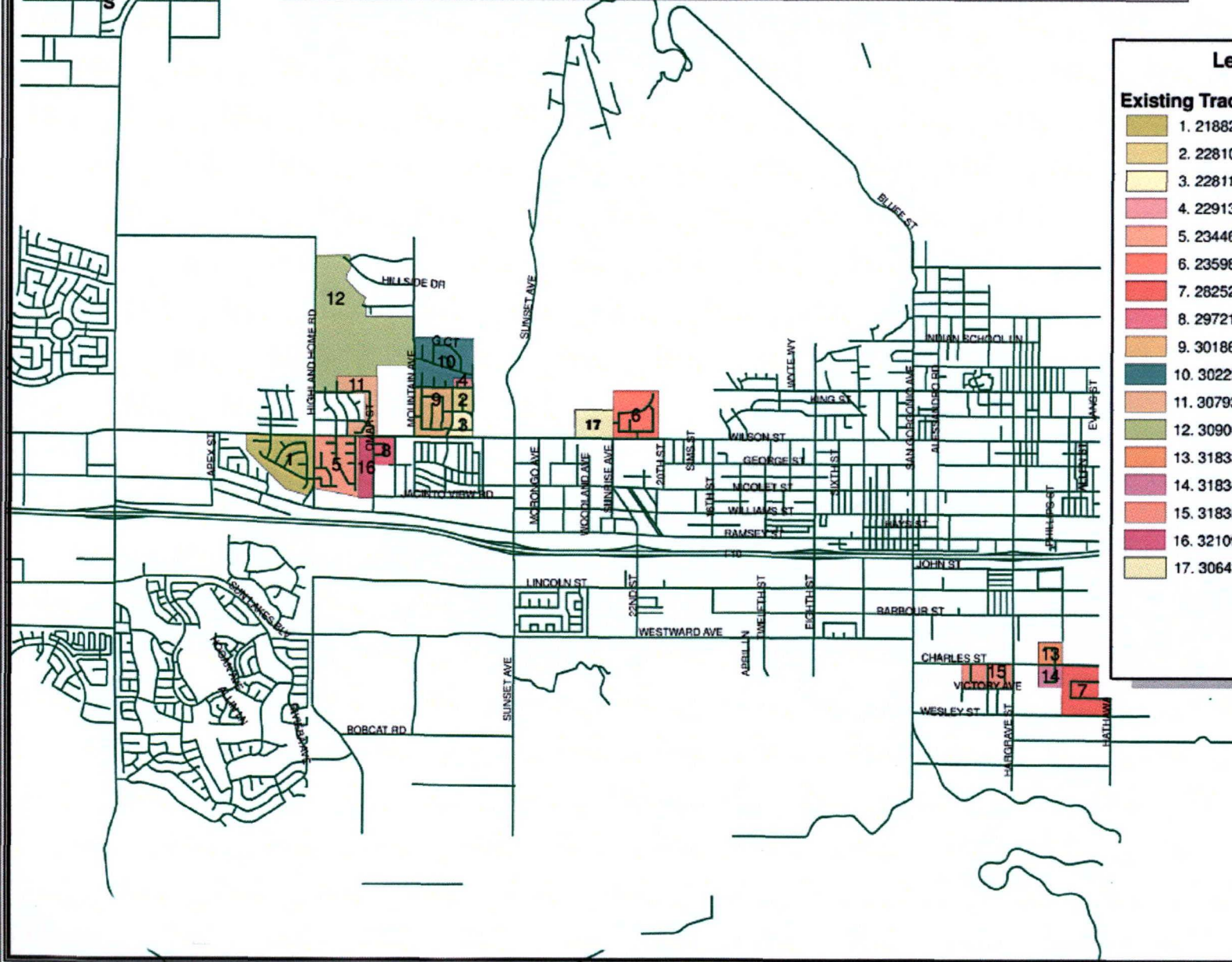


EXHIBIT “B”

TENTATIVE SCHEDULE UPDATING LANDSCAPE MAINTENANCE DISTRICT NO. 1

<u>Item</u>	<u>Council Meeting</u>
Resolution Initiating Update	February 25, 2014
Resolution of Intention and Approve Engineer's Report	May 27, 2014 (revised from May 13, 2014)
Public Hearing and Resolution Confirming Assessment	June 10, 2014

EXHIBIT "C"

LANDSCAPE MAINTENANCE DISTRICT NO. 1 TRACTS AND ASSESSMENTS FISCAL YEAR 2014/15

Tract No.	No. of AU	Zone	Proposed Cost/AU (FY 2014/15)
22810	43	A	\$108.90
22811	39	A	\$108.90
22913	9	A	\$108.90
21882	134	B	\$113.31
23446	138	B	\$113.31
29721	21	B	\$113.31
30186	107	B	\$113.31
30222	121	B	\$113.31
32109	38	B	\$113.31
23598	97	C	\$98.91
30642	(53)	C	\$98.91
28252	70	D	\$200.44
30793	43	D	\$200.44
31833	17	D	\$200.44
31834	18	D	\$200.44
31835	33	D	\$200.44
30906*	87	D	\$200.44
Total	1,015		\$136,562.38

(#) = Tract not yet completed or will not be accepted into the Landscape Maintenance District during the next Fiscal Year. Not included in total AU.

*Tract No. 30906 has a total of 303 Assessment Units (AU); therefore, a total of 216 remain.

CITY COUNCIL AGENDA

DATED: May 27, 2014

TO: City Council

FROM: Duane Burk, Director of Public Works

SUBJECT: Proposed Ordinance No. 1479 to Update Participation in the TUMF Program and Adopt an Amendment to the TUMF Ordinance to Exempt New Specially Adapted Homes for Severely Disabled Veterans.

RECOMMENDATION: Adoption of Ordinance No. 1479, amending and updating the City's TUMF Ordinance No. 1412.

JUSTIFICATION: The revised TUMF Ordinance recommendation to exempt non-profit 501(c)(3) organizations from paying TUMF is specific in that it limits the exemption to new specially adapted homes for severely disabled veterans who are the recipients of a Veterans Administration Specially Adapted Housing (SAH) Grant or its equivalent. This short-fall is anticipated to be approximately one million dollars and will be accounted for in the 2014 Network Update.

BACKGROUND: The City is a Member Agency of the Western Riverside Council of Governments ("WRCOG"), a joint powers agency comprised of the County of Riverside, March JPA, and seventeen (17) cities located in Western Riverside County. Acting in concert, the WRCOG Member Agencies developed a plan whereby the shortfall in funds needed to enhance the capacity of the Regional System of Highways and Arterials due to new development in Western Riverside County could be made up in part by a Transportation Uniform Mitigation Fee ("TUMF") on future residential, commercial and industrial development. As a Member Agency of WRCOG and as a TUMF Participating Jurisdiction, the City participated in the preparation of a certain "Western Riverside County Transportation Uniform Fee Nexus Study," ("2009 Nexus Study") later adopted by the WRCOG Executive Committee. On November 29, 2009 the City adopted the 2009 Nexus Study and Ordinance 1412 to implement the TUMF Program in the City of Banning, attached hereto as Attachment "A."

Pursuant to the Mitigation Fee Act (Gov. Code §§ 66000 *et seq.*), WRCOG, upon the recommendation of the WRCOG Executive Committee, now desires to amend the TUMF Ordinance to include the following exemption:

- Exempt non-profit 501(c)(3) organizations who build new single-family homes specifically constructed and adapted for qualifying severely disabled veterans injured in theatre of combat operations.

On April 7, 2014, the WRCOG Executive Committee reviewed the revised TUMF Program Ordinance template and recommended TUMF Participating Jurisdictions amend their TUMF ordinances to reflect the changes, attached hereto as Attachment "B."

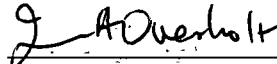
FISCAL DATA:

RECOMMENDED BY:



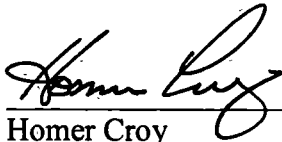
Duane Burk
Director of Public Works

REVIEWED BY:



June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Homer Croy
Interim City Manager

ATTACHMENT "A"
CITY OF BANNING
ORDINANCE 1412

ORDINANCE NO. 1412

AN ORDINANCE OF THE CITY OF BANNING AMENDING AND SUPERSEDING ORDINANCE NO. 1344 TO UPDATE ITS PARTICIPATION IN THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) PROGRAM AND ADOPT A TEMPORARY TUMF REDUCTION

THE CITY COUNCIL OF THE CITY OF BANNING ("CITY") DOES ORDAIN AS FOLLOWS:

Section 1. Title.

This Ordinance shall be known as the "Western Riverside County Transportation Uniform Mitigation Fee Program Ordinance of 2009" ("Ordinance").

Section 2. Findings.

- A. The City is a member agency of the Western Riverside Council of Governments ("WRCOG"), a joint powers agency comprised of the County of Riverside and 16 cities located in Western Riverside County. Acting in concert, the WRCOG Member Agencies developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials in Western Riverside County (the "Regional System") could be made up in part by a Transportation Uniform Mitigation Fee ("TUMF") on future residential, commercial and industrial development. A map depicting the boundaries of Western Riverside County and the Regional System is attached here as Exhibit "A" and incorporated herein. As a Member Agency of WRCOG and as a TUMF Participating Jurisdiction, the City participated in the preparation of a certain "Western Riverside County Transportation Uniform Fee Nexus Study," dated October 18, 2002 (the "2002 Nexus Study") prepared in compliance with the Mitigation Fee Act (Gov. Code §§ 66000 *et seq.*) and adopted by the WRCOG Executive Committee. Based on the 2002 Nexus Study, the City adopted and implemented an ordinance authorizing the City's participation in a TUMF Program.
- B. WRCOG, with the assistance of TUMF Participating Jurisdictions, has prepared an updated nexus study entitled "Transportation Uniform Mitigation Fee Nexus Study: 2009 Update" ("2009 Nexus Study") pursuant to California Government Code sections 66000 *et seq.* (the Mitigation Fee Act), for the purpose of updating the fees. On September 14 and October 5, 2009, the WRCOG Executive Committee reviewed the 2009 Nexus Study and TUMF Program and recommended TUMF Participating Jurisdictions amend their applicable TUMF ordinances to reflect changes in the TUMF network and the cost of construction in order to update the TUMF Program.

- C. Consistent with its previous findings made in the adoption of Ordinance No. 1344, the City Council has been informed and advised, and hereby finds, that if the capacity of the Regional System is not enlarged and unless development contributes to the cost of improving the Regional System, the result will be substantial traffic congestion in all parts of Western Riverside County, with unacceptable Levels of Service. Furthermore, the failure to mitigate growing traffic impacts on the Regional System will substantially impair the ability of public safety services (police and fire) to respond and, thus, adversely affect the public health, safety and welfare. Therefore, continuation of a TUMF Program is essential.
- D. However, the City Council realizes the impact of an economic recession on development and the construction sector in Western Riverside County as indicated in the Addendum to the 2009 Nexus Study, attached and incorporated as part of the 2009 Nexus Study in Exhibit "B." The City Council finds that that a temporarily fifty percent (50%) reduction in TUMF fees through December 31, 2010 will encourage economic development by reducing the overall cost of development. The same adjustment of the entire TUMF Program will also assure that each development continues to contribute a fair share of the total Program costs without unduly burdening later projects to make up the TUMF revenues that would be effectively forfeited during the temporary reduction period. The City Council further finds that the resulting minor decrease in TUMF revenues will not have a material effect on the ability to fulfill the purposes of the TUMF Program or the ability to make the findings recited herein pursuant to the Mitigation Fee Act.
- E. The City Council finds and determines that there is a reasonable and rational relationship between the use of the TUMF and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and non-residential users of the development in which the TUMF will be levied.
- F. The City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the Regional System and the type of development projects on which the TUMF is imposed because it will be necessary for the residential and non-residential users of such projects to have access to the Regional system. Such development will benefit from the Regional System improvements and the burden of such developments will be mitigated in part by payment of the TUMF.
- G. The City Council finds and determines that the cost estimates set forth in the new 2009 Nexus Study are reasonable cost estimates for constructing the Regional System improvements and the facilities that compromise the Regional System, and that the amount of the TUMF expected to be generated by new development will not exceed the total fair share cost to such development.

- H. The fees collected pursuant to this Ordinance shall be used to help pay for the design, planning, construction of and real acquisition for the Regional System improvements and its facilities as identified in the 2009 Nexus Study. The need for the improvements and facilities is related to new development because such development results in additional traffic and creates the demand for the improvements.
- I. By notice duly given and published, the City Council set the time and place for a public hearing on the 2009 Nexus Study and the fees proposed thereunder, and at least ten (10) days prior to this hearing, the City Council made the 2009 Nexus Study available to the public.
- J. At the time and place set for the hearing, the City Council duly considered data and information provided by the public relative to the cost of the improvements and facilities for which the fees are proposed and all other comments, whether written or oral, submitted prior to the conclusion of the hearing.
- K. The City Council finds that the 2009 Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements and facilities to the Regional system.
- L. The City Council hereby adopts the 2009 Nexus Study, including its Addendum regarding temporary fee reduction, and its findings. The 2009 Nexus Study is attached and incorporated herein as Exhibit "B."
- M. The City Council hereby adopts this Ordinance to amend and supersede the provisions of Ordinance No. 1344.

Section 3. Definitions.

For the purpose of this Ordinance, the following words, terms and phrases shall have the following meanings:

- A. "Class 'A' Office" means an office building that is typically characterized by high quality design, use of high end building materials, state of the art technology for voice and data, on site support services/maintenance, and often includes full service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class 'A' Office shall be as follows: (i) minimum of three stories (exception will be made for March JPA, where height requirements exist); (ii) minimum of 10,000 square feet per floor; (iii) steel frame construction; (iv) central, interior lobby; and (v) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/ exits for commercial uses within the building.

- B. **“Class ‘B’ Office”** means an office building that is typically characterized by high quality design, use of high end building materials, state of the art technology for voice and data, on site support services/maintenance, and often includes full service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class ‘B’ Office shall be as follows: (i) minimum of two stories; (ii) minimum of 15,000 square feet per floor; (iii) steel frame, concrete or masonry shell construction; (iv) central, interior lobby; and (v) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/exits for commercial uses within the building.
- C. **“Development Project” or “Project”** means any project undertaken for the purposes of development, including the issuance of a permit for construction.
- D. **“Gross Acreage”** means the total property area as shown on a land division of a map of record, or described through a recorded legal description of the property. This area shall be bounded by road rights of way and property lines.
- E. **“Habitable Structure”** means any structure or part thereof where persons reside, congregate or work and which is legally occupied in whole or part in accordance with applicable building codes, and state and local laws.
- F. **“Industrial Project”** means any development project that proposes any industrial or manufacturing use allowed in the following Ordinance No. 348 zoning classifications: I-P, M-S-C, M-M, M-H, M-R, M-R-A, A-1, A-P, A-2, A-D, W-E, or SP with one of the aforementioned zones used as the base zone.
- G. **“Low Income Residential Housing”** means residential units in publicly subsidized projects constructed as housing for low-income households as such households are defined pursuant to section 50079.5 of the Health and Safety Code. “Publicly subsidized projects,” as the term is used herein, shall not include any project or project applicant receiving a tax credit provided by the State of California Franchise Tax Board.
- H. **“Multi Family Residential Unit”** means a development project that has a density of greater than eight (8) residential dwelling units per gross acre.
- I. **“Non-Residential Unit”** means retail commercial, service commercial and industrial development which is designed primarily for non-dwelling use, but shall include hotels and motels.
- J. **“Recognized Financing District”** means a Financing District as defined in the TUMF Administrative Plan as may be amended from time to time.

- K. **“Residential Dwelling Unit”** means a building or portion thereof used by one (1) family and containing but one (1) kitchen, which is designed primarily for residential occupancy including single-family and multi-family dwellings. “Residential Dwelling Unit” shall not include hotels or motels.
- L. **“Retail Commercial Project”** means any development project that proposes any commercial use not defined as a service commercial project allowed in the following Ordinance No. 348 classifications: R-1, R-R, R-R-O, R-1-A, R-A, R-2, R-2-A, R-3, R-3-A, R-T, R-T-R, R-4, R-5, R-6, C-1/C-P, C-T, C-P-S, C-R, C-O, R-V-C, C-V, W-2, R-D, N-A, W-2-M, W-1, or SP with one of the aforementioned zones used as the base zone.
- M. **“Service Commercial Project”** means any development project that is predominately dedicated to business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices.
- N. **“Single Family Residential Unit”** means each residential dwelling unit in a development that has a density of eight (8) units to the gross acre or less.
- O. **“TUMF Participating Jurisdiction”** means a jurisdiction in Western Riverside County which has adopted and implemented an ordinance authorizing participation in the TUMF Program and complies with all regulations established in the TUMF Administrative Plan, as adopted and amended from time to time by the WRCOG.

Section 4. Establishment of the Transportation Uniform Mitigation Fee.

- A. **Adoption of TUMF Schedule.** The City Council shall adopt an applicable TUMF schedule through a separate resolution, which may be amended from time to time.
- B. **Fee Calculation.** The fees shall be calculated according to the calculation methodology fee set forth in the Fee Calculation Handbook adopted July 14, 2003, as amended from time to time. The following shall be observed for purposes of calculating the fee:
 - i. For non-residential projects, the fee rate utilized shall be based upon the predominant use of the building or structure identified in the building permit and as further specified in the TUMF Administrative Plan.
 - ii. For non residential projects, the fee shall be calculated on the total square footage of the building or structure identified in the building permit and as further specified in the TUMF Administrative Plan.

- C. **Fee Adjustment.** The fee schedule may be periodically reviewed and the amounts adjusted by the WRCOG Executive Committee. By amendment to the Ordinance, the fees may be increased or decreased to reflect the changes in actual and estimated costs of the Regional System including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this Ordinance, as well as the availability or lack thereof of other funds with which to construct the Regional System. WRCOG shall review the TUMF Program no less than every four (4) years after the effective date of this Ordinance.
- D. **Temporary Fee Reduction Period.**
- i. Notwithstanding Section 4A of Ordinance No. 1412 and the adopted TUMF schedule, the City Council may, by separate resolution, adopt a reduced TUMF fee schedule applicable only through December 31, 2010. The TUMF may be so reduced by up to fifty percent (50%) of fees established in the schedule adopted pursuant to Section 4A of this Ordinance. If fees are reduced, all other sections of Ordinance No. 1412 shall still be effect during the temporary fee reduction period. After December 31, 2010, the regular TUMF schedule, as adopted by the City Council and revised from time to time pursuant to Section 4A of this Ordinance, shall automatically apply.
 - ii. If reduced fees are paid pursuant to this Section 4D at issuance of building permit and either the application or the building permit expires, subsequent building permit application on the same parcel shall be subject to the full TUMF amount, unless the temporary fee reduction period is still in effect at the time the subsequent application is made.
- E. **Purpose.** The purpose of the TUMF is to fund those certain improvements to the Regional System as depicted in Exhibit "A" and identified in the 2009 Nexus Study, Exhibit "B."
- F. **Applicability.** The TUMF shall apply to all new development within the City, unless otherwise exempt hereunder.
- G. **Exemptions.** The following new development shall be exempt from the TUMF:
- i. Low income residential housing.
 - ii. Government/public buildings, public schools and public facilities.
 - iii. The rehabilitation and/or reconstruction of any habitable structure in use on or after January 1, 2000, provided that the same or fewer traffic trips are generated as a result thereof.

- iv. Development Projects which are the subject of a Public Facilities Development Agreement entered into pursuant to Government Code section 65864 *et seq*, prior to the effective date of this Ordinance, wherein the imposition of new fees are expressly prohibited provided that if the term of such a Development Agreement is extended by amendment or by any other manner after the effective date of this Ordinance, the TUMF shall be imposed.
- v. Guest Dwellings.
- vi. Additional single family residential units located on the same parcel pursuant to the provisions of any agricultural zoning classifications set forth in the Municipal Code.
- vii. Kennels and Catteries established in connection with an existing single family residential unit.
- viii. Detached Second Units.
- ix. The sanctuary building of a church or other house of worship, eligible for a property tax exemption.
- x. Any nonprofit corporation or nonprofit organization offering and conducting full-time day school at the elementary, middle school or high school level for students between the ages of five and eighteen years.

H. **Credit.** Regional System improvements may be credited toward the TUMF in accordance with the TUMF Administrative Plan and the following:

Regional Tier

- i. **Arterial Credits:** If a developer constructs arterial improvements identified on the Regional System, the developer shall receive credit for all costs associated with the arterial component based on approved Nexus Study, including Addendum 1, for the Regional System effective at the time the credit agreement is entered into. WRCOG staff must pre-approve any credit agreements that deviate from the standard WRCOG approved format.
- ii. **Other Credits:** In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by WRCOG and the City in consultation with the developer. All such credits must have prior written approval from WRCOG.
- iii. The amount of the development fee credit shall not exceed the maximum amount determined by the Nexus Study, including Addendum 1, for the Regional System at the time the credit agreement is entered into or actual costs, whichever is less.

Local Tier

- i. The local jurisdictions shall compare facilities in local fee programs against the Regional System and eliminate any overlap in its local fee program except where there is a Recognized Financing District has been established.
- ii. If there is a Recognized Financing District established, the local agency may credit that portion of the facility identified in both programs against the TUMF in accordance with the TUMF Administrative Plan.

Section 5. Reimbursements.

Should the developer construct Regional System improvements in excess of the TUMF fee obligation, the developer may be reimbursed based on actual costs or the approved Nexus Study, including Addendum 1, effective at the time the agreement was entered into, whichever is less. Reimbursements shall be enacted through an agreement between the developer and the City, contingent on funds being available and approved by WRCOG. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year Capital Improvements Program adopted annually by WRCOG.

Section 6. Procedures for the Levy, Collection and Disposition of Fees.

- A. **Authority of the Building Department.** The Director of Building & Safety, or his/her designee, is hereby authorized to levy and collect the TUMF and make all determinations required by this Ordinance.
- B. **Payment.** Payment of the fees shall be as follows:
 - i. The fees shall be paid at the time a certificate of occupancy is issued for the Development Project or upon final inspection, whichever comes first (the "Payment Date"). However this section should not be construed to prevent payment of the fees prior to issuance of an occupancy permit or final inspection. Fees may be paid at the issuance of a building permit, and the fee payment shall be calculated based on the fee in effect at that time, provided the developer tenders the full amount of his/her TUMF obligation. If the developer makes only a partial payment prior to the Payment Date, the amount of the fee due shall be based on the TUMF fee schedule in place on the Payment Date. The fees shall be calculated according to fee schedule set forth in the Ordinance and the calculation methodology set forth in the Fee Calculation Handbook adopted July 14, 2003, as amended from time to time.
 - ii. The fees required to be paid shall be the fee amounts in effect at the time of payment is due under this Ordinance, not the date the Ordinance is initially adopted. The City shall not enter into a development agreement which freezes future adjustments of the TUMF.

- iii. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. The obligation to pay the fee shall run with the land and be binding on all the successors in interest to the property.
- iv. Fees shall not be waived.

C. **Disposition of Fees.** All fees collected hereunder shall be transmitted to the Executive Director of WRCOG within thirty (30) days for deposit, investment, accounting and expenditure in accordance with the provisions of this Ordinance and the Mitigation Fee Act.

D. **Appeals.** Appeals shall be filed with WRCOG in accordance with the provisions of the TUMF Administrative Plan. Appealable issues shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. **Reports to WRCOG.** The Director of Building and Safety, or his/her designee, shall prepare and deliver to the Executive Director of WRCOG, periodic reports as will be established under Section 7 of this Ordinance.

Section 7. Appointment of the TUMF Administrator.

WRCOG is hereby appointed as the Administrator of the Transportation Uniform Mitigation Fee Program. WRCOG is hereby authorized to receive all fees generated from the TUMF within the City, and to invest, account for and expend such fees in accordance with the provisions of this Ordinance and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this Ordinance shall be contained in the TUMF Administrative Plan adopted May 5, 2003, and as may be amended from time to time. Furthermore, the TUMF Administrator shall use the Fee Calculation Handbook adopted July 14, 2003, as amended from time to time, for the purpose of calculating a developer's TUMF obligation. In addition to detailing the methodology for calculating all TUMF obligations of different categories of new development, the purpose of the Fee Calculation Handbook is to clarify for the TUMF Administrator, where necessary, the definition and calculation methodology for uses not clearly defined in the respective TUMF ordinances.

WRCOG shall expend only that amount of the funds generated from the TUMF for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed one percent (1%) of the revenue raised by the TUMF Program. The TUMF Administrative Plan further outlines the fiscal responsibilities and limitations of the Administrator.

Section 8. Effect.

No provisions of this Ordinance shall entitle any person who has already paid the TUMF to receive a refund, credit or reimbursement of such payment. This Ordinance does not create any new TUMF.

Section 9. Severability.

If any one or more of the terms, provisions or sections of this Ordinance shall to any extent be judged invalid, unenforceable and/or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 10. Judicial Review.

In accordance with State law, any judicial action or proceeding to attack, review, set aside, void or annul this Ordinance shall be commenced within ninety (90) days of the date of adoption of this Ordinance.

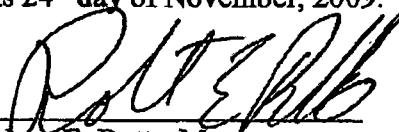
Section 11. Ordinance No. 1412

This Ordinance supersedes the provisions of Ordinance No. 1344 provided this Ordinance is not declared invalid or unenforceable by a court of competent jurisdiction. If, for whatever reason, this Ordinance is declared invalid or unenforceable by a court of competent jurisdiction, Ordinance No. 1344 and all other related ordinances and policies shall remain in full force and effect.


Section 12. Effective Date.

This Ordinance shall take effect (30) days after its 2nd reading in accordance with California law.


PASSED, APPROVED, AND ADOPTED this 24th day of November, 2009.


Robert E. Botts, Mayor

ATTEST:


Marie A. Calderon, City Clerk
City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**



David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:


I, Marie A. Calderon, City Clerk of the City of Banning, do hereby certify that the foregoing Ordinance No. 1412 was duly introduced at a regular meeting of the City Council of the City of Banning, California, held on the 10th day of November, 2009 and was duly adopted at a regular meeting of said City Council held on the 24th day of November, 2009 by the following vote, to wit:

AYES: Councilmembers Franklin, Hanna, Machisic, Robinson, Mayor Botts

NOES: None

ABSENT: None

ABSTAIN: None



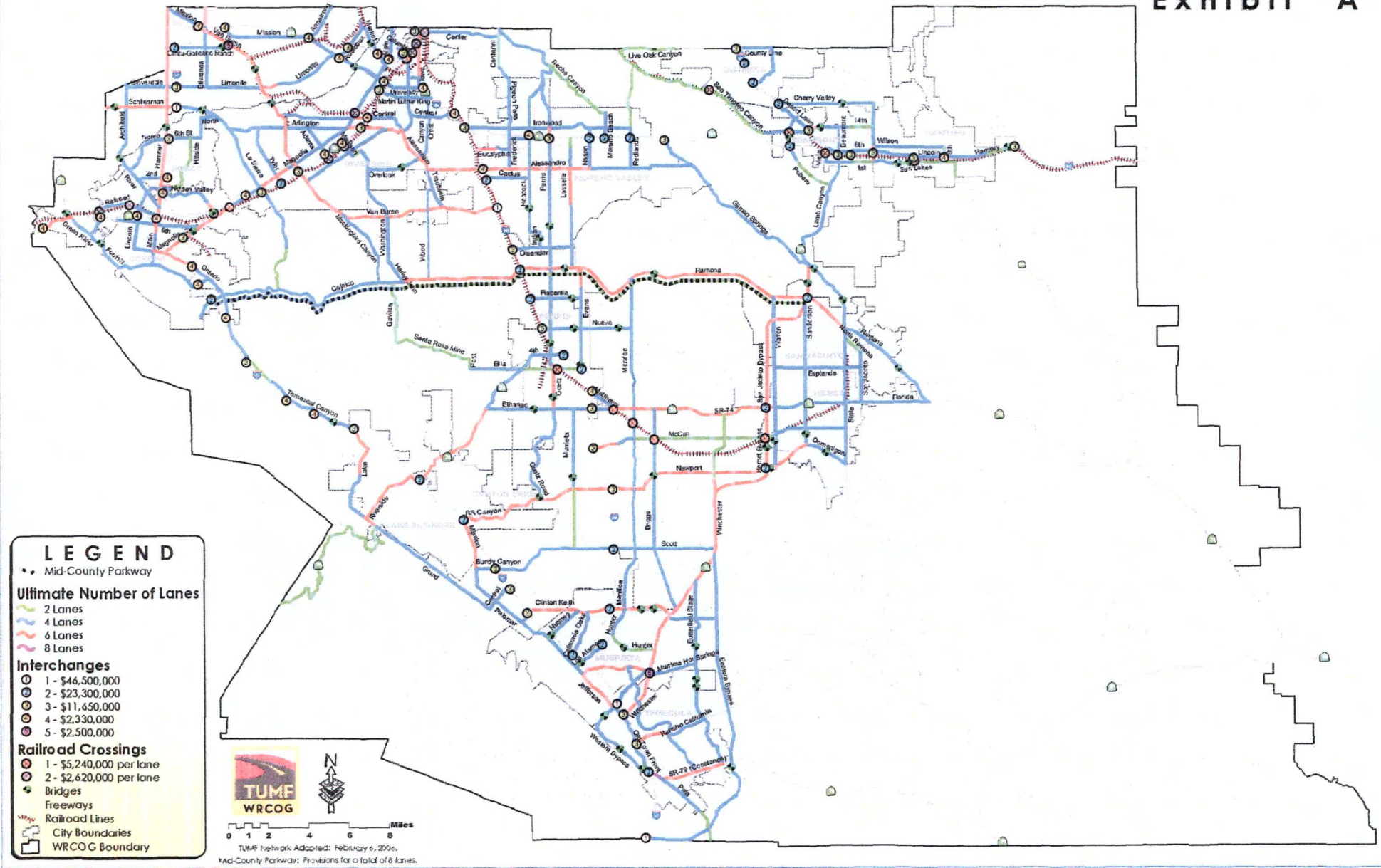
Marie A. Calderon, City Clerk
City of Banning, California

ORDINANCE NO. 1412

EXHIBIT "A"

MAP OF REGIONAL SYSTEM

Exhibit "A"



LEGEND

- Mid-County Parkway
- Ultimate Number of Lanes**
 - 2 Lanes
 - 4 Lanes
 - 6 Lanes
 - 8 Lanes
- Interchanges**
 - 1 - \$46,500,000
 - 2 - \$23,300,000
 - 3 - \$11,650,000
 - 4 - \$2,330,000
 - 5 - \$2,500,000
- Railroad Crossings**
 - 1 - \$5,240,000 per lane
 - 2 - \$2,620,000 per lane
- Bridges
- Freeways
- Railroad Lines
- City Boundaries
- WRCOG Boundary

TUMF
WRCOG

0 1 2 4 6 8 Miles

TUMF Network Adopted: February 6, 2006.
Mid-County Parkway: Provisions for a total of 8 lanes.

ORDINANCE NO. 1412

EXHIBIT "B"

NEXUS STUDY



**TRANSPORTATION UNIFORM MITIGATION FEE
NEXUS STUDY
2009 UPDATE**

**ADDENDUM 1
TEMPORARY FEE REDUCTION**

Prepared for

The Western Riverside Council of Governments

In Cooperation with

The City of Banning
The City of Beaumont
The City of Calimesa
The City of Canyon Lake
The City of Corona
The City of Hemet
The City of Lake Elsinore
The City of Menifee
The City of Moreno Valley
The City of Murrieta
The City of Norco
The City of Perris
The City of Riverside
The City of San Jacinto
The City of Temecula
The City of Wildomar
The County of Riverside
Eastern Municipal Water District
March Joint Powers Authority
Western Municipal Water District

Prepared by

Parsons Brinckerhoff.

DRAFT OCTOBER 4, 2009

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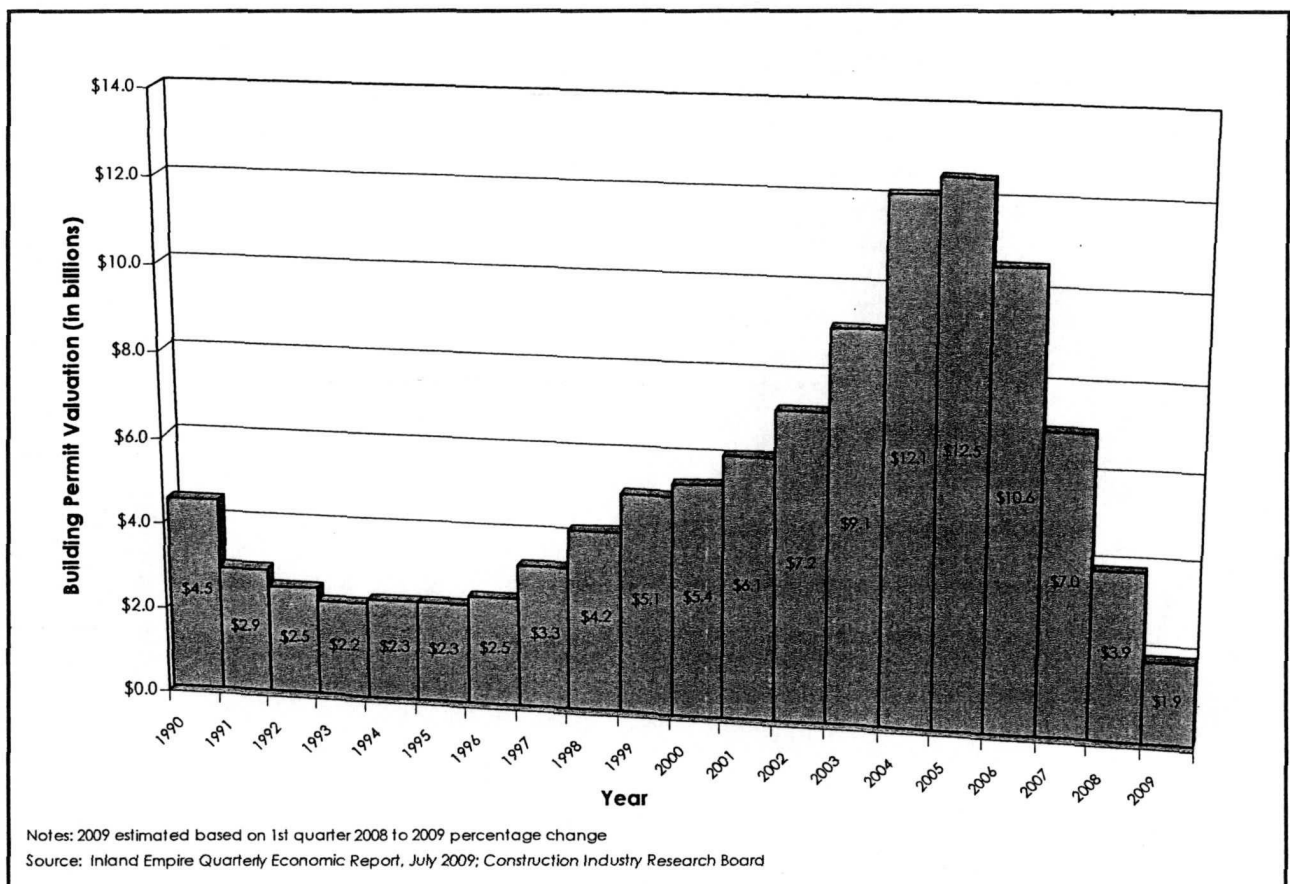
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A1-1.0 BACKGROUND

The July 2009 Inland Empire Quarterly Economic Report¹ indicates that "in 2009, the Inland Empire is facing its most serious economic challenge since the 1930s." According to the report, the area lost 48,650 jobs in 2008 with a further loss of 82,600 jobs forecast in 2009. The report attributes the loss of jobs to declines in the construction, logistics and manufacturing sectors as well the region's population-serving activities.

Specifically addressing the construction sector, the report states "in 2005, the Inland Empire's developers received \$12.5 billion in construction permits....With the residential, retail, industrial and office sectors under enormous pressure, 2009 will see just \$1.9 billion in permits issued (based on first quarter 2009). That means a drop of \$10.6 billion (-84.7%) in funds entering the region. Of this drop, \$8.3 billion was lost by residential builders and \$2.3 billion by non-residential developers. The result is an estimated \$21.2 billion reduction in the area's economic activity. As a result, construction employment has fallen 49.0% from a peak of 127,500 in 2006 to 67,100 in 2009."

Figure A1-1.1 – Total Building Permit Valuation in the Inland Empire



¹ John E. Husing, Ph.D., Inland Empire Quarterly Economic Report, Riverside and San Bernardino Counties, California, Volume 21 Number 3, July 2009
(<http://www.wrcog.cog.ca.us/downloads/QR20July2009WRCOG.pdf>)

Figure A1-1.1 clearly illustrates the impact of the economic recession on the construction sector in the Inland Empire, including Western Riverside County. The significant declines in the Total Building Permit Valuation in the Inland Empire observed since 2005 is evident with the forecast valuation for 2009 at the lowest level in two decades.

The Inland Empire Quarterly Economic Report indicates that since "the residential construction depression has been the primary cause of the Inland Empire's deep downturn, that sector's re-emergence will be a key to recovery." The report indicates that housing "demand has returned to its mid-2002 volume, and price appears to be stabilizing near its first quarter 2002 level. However, roughly 70% of home sales are foreclosures." The report goes on to indicate that "the foreclosure supply will thus likely prevent home prices from rising to a level where residential construction can reemerge for several years. Given that construction labor and material costs have fallen, this time period will be shortened only if governmental fees, lot sizes and house sizes can be reduced.

Recognizing the significance of the current economic recession to Western Riverside County, business, community and government leaders established the Riverside Economic Development Red Team in 2008. The Red Team recommended three goals critical to recovery of the regional economy. These goals included "reduce the cost of building new homes so that the new home building industry can put people back to work."

In response to the Red Team recommendations, the Riverside County Board of Supervisors at the meeting on July 21, 2009 acted to reduce its local development impact fees (DIF) by 50%. As part of its action, the Board of Supervisors adopted a resolution encouraging the WRCOG Executive Committee to similarly consider a temporary TUMF reduction. A copy of the Riverside County Board of Supervisors July 21, 2009 action including the ordinance amendment and resolution to the WRCOG Executive Committee is included as **Appendix A1-A** to this Addendum. Consistent with the Red Team recommendation and the Riverside County Board of Supervisors July 21, 2009 action, almost one-third of the WRCOG jurisdictions have reduced development impact fees in the past year with others considering the matter over the next few months.

Following the action by the Riverside County Board of Supervisors, the Riverside Economic Development Red Team forwarded a letter to the WRCOG Executive Director reiterating the recommended goals and highlighting the actions of local jurisdictions to "create jobs and jump-start the economy by deferring and/or reducing construction fees." A copy of the letter from the Riverside Economic Development Red Team dated August 24, 2009 is included as **Appendix A1-B** to this Addendum.

At the meeting on September 14, 2009, the WRCOG Executive Committee considered a temporary reduction of the TUMF. The WRCOG Executive Committee "supported the Red Team recommendation and Board of Supervisors' request for a temporary 50% TUMF reduction for a one-year period, to be ratified at the next meeting." The WRCOG

Executive Committee in taking this action cited the importance of creating jobs in Western Riverside County by stimulating the housing market through lower fees.

At the meeting on October 5, 2009, the WRCOG Executive Committee ratified the previous action to "authorize a temporary 50% reduction in the current TUMF for one year commencing immediately and ending December 31, 2010." The WRCOG Executive Committee further resolved that "the reduced TUMF applies to new building permits associated with new development projects. If reduced fees are paid at the time application is made for a building permit and either the application or the building permit expires, subsequent building permit applications on the same parcel shall be subject to the full TUMF amount, unless the temporary fee reduction is still in effect at the time of the subsequent. No provision of the temporary TUMF reduction shall entitle any person who has already paid TUMF to receive a refund, credit or reimbursement of such payment."

A1-2.0 TUMF NEXUS IMPLICATIONS

The action of the WRCOG Executive Committee to temporarily reduce TUMF proportionally reduces the fees paid by each new development to mitigate its impact on the regional transportation system. Since the transportation impact of a particular development is a constant from the perspective of the Program, a reduction in the fees paid by the development means that the development is no longer contributing a fair share of the total cost to mitigate the cumulative impacts of new development on the regional transportation system based on the TUMF Program Nexus Study. As a result, the entire program basis must be adjusted accordingly to ensure that each development continues to contribute a fair share of the total Program costs without unduly burdening later projects to make up the TUMF revenues that are effectively forfeited during the temporary reduction period.

The program adjustment will be reflected in a commensurate reduction in the maximum TUMF share of the costs for each project in the Program. Subsequently, the TUMF revenues available for programming eligible project activities, including planning, design and construction, along with credits and reimbursements, are also reduced proportionately. In addition to assuring the Program Nexus, these adjustments prevent an imbalance in the TUMF Program revenues that are being programmed from occurring due to the temporary reduction in the share of project costs being collected. In effect, the adjustments ensures an appropriate balance is maintained between the overall fee revenue that is generated at the reduced fee levels compared to the eligible project costs upon which the TUMF is based and the revenues expended.

Despite the reduction in the level of the fee, the transportation impact of any new development remains constant and the reduction in fees means that the development is no longer contributing a fair share of the cost to mitigate its impacts. Since the burden to mitigate the impacts of the development cannot be passed on to other developments through the TUMF program, it is necessary for the TUMF revenues that are forfeited during the temporary reduction period to be made up from other sources.

The following sections will summarize the adjustments to the TUMF Program Nexus based on the 2009 Program Update Nexus Study. Specifically, the following sections will describe the adjustments to the maximum TUMF share of the various Network and Transit project costs before providing the adjusted Fee Schedule. The following sections will also address the issue of the resultant Program funding shortfall.

A1-2.1 Maximum Eligible TUMF Share

The calculation of the TUMF is based on the three basic variables – unit cost assumptions, recommended network improvements, and the change in development. In general, the fee for the TUMF program is calculated based on the following formula:

$$\frac{\boxed{\text{Unit Cost Assumptions}} \times \boxed{\text{Recommended Network Improvements}}}{\boxed{\text{Change in Residential and Non-Residential Development}}} = \text{TUMF}$$

Applying this formula, unit cost assumptions for the various eligible TUMF project types are used to estimate the overall cost to improve the TUMF Network as described in the TUMF Nexus Study. The resultant maximum eligible network improvement cost (or maximum TUMF share) is then divided proportionally between various residential and non-residential development categories such that each new development type contributes its 'fair share' to the program. Any change in one formula variable has a related impact on the overall fee, although it is important to note that the resultant impact to the overall fee is not necessarily directly proportional to the formula variable change due to the intricacies of the fee calculation.

In contrast, a discretionary change in the fee (such as the temporary 50% fee reduction) represents a change in the resultant value of this formula. As described previously, this change subsequently needs to be reflected in the basis for the fee in order to maintain the Program Nexus and ensure a balance between fee revenues and eligible expenditures. This change can be reflected by making a commensurate adjustment to the numerator (the maximum TUMF share) in the TUMF equation. Based on the methodology to calculate the maximum TUMF share, this can be accomplished most easily by reducing the unit cost assumptions proportional to the recommended fee reduction.

The adjusted unit cost assumptions and resultant adjusted maximum TUMF share will not represent the fair share cost to mitigate the cumulative regional impacts of new development on the transportation system. The resultant value represents the proportional share of the maximum eligible network improvement cost that will be collected by the Program based on a temporarily reduced fee level. This amount also represents the maximum TUMF share that can be programmed for expenditure on a project. Since administration of the Program is a relatively fixed cost, the Administration multiplier was increased to 5% for the period of the fee reduction to ensure sufficient revenues are generated to administer the Program during this time.

Table A1-2.1 presents the adjusted maximum eligible network improvement cost based on the temporary fee reduction. **Table A1-2.2** provides the adjusted Schedule of Fees in accordance with the WRCOG Executive Committee action of October 12, 2009.

Table A1-2.1 - TUMF Network Cost Estimates – 50% ADJUSTED

AREA	PLAN	DIST	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	ADJUSTED COST	ADJ MAX TUMF SHARE
Central		Menifee		Ethanac	Goetz	Murieta	0.99	\$1,770,000	\$1,770,000
Central		Menifee		Ethanac	Murieta	I-215	0.90	\$9,509,000	\$9,509,000
Central		Menifee		Goetz	Case	Ethanac	2.00	\$4,010,000	\$3,534,000
Central		Menifee		Menifee	SR-74 (Pinacate)	Simpson	2.49	\$3,751,000	\$3,751,000
Central		Menifee		Menifee	Holland	Garbani	1.03	\$0	\$0
Central		Menifee		Menifee	Garbani	Scott	1.00	\$1,170,000	\$1,170,000
Central		Menifee		Menifee	Simpson	Aldergate	0.64	\$1,499,000	\$1,499,000
Central		Menifee		Menifee	Aldergate	Newport	0.98	\$0	\$0
Central		Menifee		Menifee	Newport	Holland	1.07	\$0	\$0
Central		Menifee		Newport	Goetz	Murieta	1.81	\$1,273,000	\$1,273,000
Central		Menifee		Newport	Murieta	I-215	2.05	\$18,552,000	\$18,552,000
Central		Menifee		Newport	I-215	Menifee	0.95	\$1,110,000	\$1,086,000
Central		Menifee		Scott	I-215	Briggs	2.04	\$20,935,000	\$20,266,000
Central		Menifee		Scott	I-215	Murieta	1.94	\$4,552,000	\$4,552,000
Central		Menifee		SR-74	Matthews	Briggs	1.89	\$2,218,000	\$2,218,000
Central		Moreno Valley		Alessandro	I-215	Perris	3.71	\$2,660,000	\$2,660,000
Central		Moreno Valley		Alessandro	Perris	Nason	2.00	\$6,100,000	\$6,100,000
Central		Moreno Valley		Alessandro	Nason	Moreno Beach	0.99	\$1,778,000	\$1,778,000
Central		Moreno Valley		Alessandro	Gilman Springs	Gilman Springs	4.13	\$4,840,000	\$4,840,000
Central		Moreno Valley		Gilman Springs	SR-60	Alessandro	1.67	\$9,854,000	\$9,604,000
Central		Moreno Valley		Perris	Reche Vista	Ironwood	2.20	\$3,550,000	\$3,550,000
Central		Moreno Valley		Perris	Ironwood	Sunnymead	0.52	\$8,081,000	\$8,081,000
Central		Moreno Valley		Perris	Sunnymead	Cactus	2.00	\$717,000	\$683,000
Central		Moreno Valley		Perris	Cactus	Harley Knox	3.50	\$9,427,000	\$6,975,000
Central		Moreno Valley		Reche Vista	Reche Canyon	Heacock	1.44	\$3,303,000	\$2,548,000
Central		Perris		11th/Case	Perris	Goetz	0.30	\$539,000	\$539,000
Central		Perris		Ethanac	Keystone	Goetz	2.24	\$6,804,000	\$6,804,000
Central		Perris		Ethanac	I-215	Sherman	0.35	\$626,000	\$626,000
Central		Perris		Mid-County	I-215	Rider	4.55	\$41,159,000	\$41,159,000
Central		Perris		Perris	Harley Knox	Ramona	1.00	\$2,333,000	\$1,696,000
Central		Perris		Perris	Ramona	Citrus	2.49	\$2,922,000	\$2,917,000
Central		Perris		Perris	Citrus	Nuevo	0.50	\$0	\$0
Central		Perris		Perris	Nuevo	11th	1.75	\$4,386,000	\$3,010,000
Central		Perris		Ramona	I-215	Perris	1.47	\$18,787,000	\$18,754,000
Central		Perris		Ramona	Perris	Evans	1.00	\$3,039,000	\$3,039,000
Central		Perris		Ramona	Evans	Rider	2.09	\$3,746,000	\$3,746,000
Central		Perris		SR-74 (4th)	Ellis	I-215	2.29	\$16,153,000	\$16,153,000
Central		Unincorporated		Ethanac	SR-74	Keystone	1.07	\$2,506,000	\$2,506,000
Central		Unincorporated		Ethanac	Sherman	Matthews	0.61	\$13,913,000	\$13,913,000
Central		Unincorporated		Gilman Springs	Alessandro	Bridge	4.98	\$6,789,000	\$5,020,000
Central		Unincorporated		Menifee	Ramona	SR-74 (Pinacate)	6.52	\$7,638,000	\$7,638,000
Central		Unincorporated		Mid-County	Rider	Bridge	6.92	\$10,616,000	\$10,616,000
Central		Unincorporated		Ramona	Pico	Pico	0.97	\$1,136,000	\$1,136,000
Central		Unincorporated		Ramona	Pico	Bridge	5.95	\$24,804,000	\$23,851,000
Central		Unincorporated		Reche Canyon	San Bernardino County	Reche Vista	3.35	\$10,446,000	\$8,771,000
Central		Unincorporated		Scott	Briggs	SR-79 (Winchester)	3.04	\$7,122,000	\$7,122,000
Central		Unincorporated		SR-74	Ethanac	Ellis	2.68	\$0	\$0
Northwest		Corona		Foothill	Paseo Grande	Lincoln	2.60	\$10,609,000	-\$17,420,000
Northwest		Corona		Foothill	Lincoln	California	2.81	\$0	\$0
Northwest		Corona		Foothill	California	I-15	0.89	\$1,594,000	\$1,594,000
Northwest		Corona		Green River	SR-91	Dominguez Ranch	0.52	\$931,000	\$646,000
Northwest		Corona		Green River	Dominguez Ranch	Paisades	0.56	\$1,114,000	\$1,101,000
Northwest		Riverside		Alessandro	Paisades	Paseo Grande	2.01	\$0	\$0
Northwest		Riverside		Arlington	Arlington	Trautwein	2.21	\$0	\$0
Northwest		Riverside		Arlington	North	Magnolia	5.92	\$0	\$0
Northwest		Riverside		Arlington	Magnolia	Alessandro	2.02	\$11,451,000	\$10,313,000
Northwest		Riverside		Van Buren	Santa Ana River	SR-91	3.44	\$17,429,000	\$15,462,000
Northwest		Riverside		Van Buren	SR-91	Mockingbird Canyon	3.10	\$5,353,000	\$2,598,000
Northwest		Riverside		Van Buren	Wood	Trautwein	0.43	\$0	\$0
Northwest		Riverside		Van Buren	Trautwein	Orange Terrace	1.27	\$1,782,000	\$1,755,000
Northwest		Unincorporated		Alessandro	Trautwein	Vista Grande	1.22	\$0	\$0
Northwest		Unincorporated		Alessandro	Vista Grande	I-215	1.26	\$0	\$0
Northwest		Unincorporated		Cajalco	El Sobrante	Harley John	0.76	\$2,043,000	\$1,786,000
Northwest		Unincorporated		Cajalco	Harley John	Harvil	5.79	\$20,772,000	\$20,325,000
Northwest		Unincorporated		Cajalco	Harvil	I-215	0.28	\$333,000	\$333,000
Northwest		Unincorporated		Cajalco	I-15	Temescal Canyon	0.66	\$17,336,000	-\$7,907,000
Northwest		Unincorporated		Cajalco	Temescal Canyon	La Sierra	3.21	\$11,468,000	\$11,468,000
Northwest		Unincorporated		Cajalco	La Sierra	El Sobrante	6.11	\$19,044,000	\$19,044,000
Northwest		Unincorporated		Schliesman	San Bernardino County	Hartson	1.53	\$7,172,000	\$7,172,000
Northwest		Unincorporated		Schliesman	Hartson	Sumner	0.50	\$1,790,000	\$1,790,000
Northwest		Unincorporated		Schliesman	Sumner	Cleveland	0.50	\$2,692,000	\$2,692,000
Northwest		Unincorporated		Schliesman	Cleveland	A Street	0.23	\$1,237,000	\$1,237,000
Northwest		Unincorporated		Schliesman	A Street	Hammer	0.27	\$980,000	\$980,000
Northwest		Unincorporated		Schliesman	Hammer	I-15	0.31	\$33,398,000	\$33,398,000
Northwest		Unincorporated		Schliesman	I-15	Arlington	1.97	\$12,972,000	\$12,972,000
Northwest		Unincorporated		Van Buren	SR-60	Bellegrave	1.43	\$2,562,000	\$1,096,000
Northwest		Unincorporated		Van Buren	Bellegrave	Santa Ana River	3.60	\$4,451,000	\$2,785,000
Northwest		Unincorporated		Van Buren	Mockingbird Canyon	Wood	4.41	\$7,907,000	\$6,174,000
Northwest		Unincorporated		Van Buren	Orange Terrace	I-215	1.89	\$35,123,000	\$34,358,000

Table A1-2.1 - TUMF Network Cost Estimates – 50% ADJUSTED (continued)

AREA	PLAN	DIST	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	ADJUSTED COST	ADJ MAX TUMF SHARE
Pass			Beaumont	Beaumont	Oak Valley (14th)	I-10	1.37	\$0	\$0
Pass			Beaumont	Patena	Oak Valley (San Timoteo Canyon)	4th	1.17	\$34,596,000	\$0
Pass			Beaumont	SR-79 (Beaumont)	I-10	Mellow	0.80	\$7,896,000	\$0
Pass			Unincorporated	SR-79 (Beaumont)	Mellow	California	0.38	\$0	\$0
Pass			Unincorporated	Patena	4th	1st	0.45	\$1,054,000	\$1,054,000
Pass			Unincorporated	Patena	1st	SR-79 (Beaumont)	2.03	\$5,550,000	\$5,550,000
Pass			Unincorporated	SR-79 (Lamb Canyon)	California	Gilman Springs	4.87	\$0	\$0
San Jacinto			Hemet	Domenigoni	Warren	Sanderson	1.77	\$2,075,000	\$2,075,000
San Jacinto			Hemet	Domenigoni	Sanderson	State	2.14	\$0	\$0
San Jacinto			Hemet	SR-74	Winchester	Warren	2.59	\$4,641,000	\$3,668,000
San Jacinto			San Jacinto	Mid-County	Warren	Sanderson	1.73	\$3,099,000	\$3,099,000
San Jacinto			San Jacinto	Ramona	Warren	Sanderson	1.73	\$3,099,000	\$3,099,000
San Jacinto			San Jacinto	Ramona	Sanderson	State	2.39	\$8,565,000	\$4,830,000
San Jacinto			San Jacinto	Ramona	State	Main	2.66	\$4,778,000	\$4,650,000
San Jacinto			San Jacinto	Ramona	Main	Cedar	2.08	\$8,715,000	\$8,715,000
San Jacinto			San Jacinto	Ramona	Cedar	SR-74	1.10	\$0	\$0
San Jacinto			Unincorporated	Domenigoni	SR-79 (Winchester)	Warren	3.10	\$4,880,000	\$4,392,000
San Jacinto			Unincorporated	Gilman Springs	Bridge	Sanderson	2.95	\$3,454,000	\$3,454,000
San Jacinto			Unincorporated	Mid-County	Bridge	Warren	2.35	\$2,752,000	\$2,752,000
San Jacinto			Unincorporated	Ramona	Bridge	Warren	2.35	\$5,505,000	\$5,505,000
San Jacinto			Unincorporated	SR-74	Briggs	SR-79 (Winchester)	3.53	\$4,130,000	\$4,130,000
San Jacinto			Unincorporated	SR-79 (Hemet Bypass)	SR-74 (Florida)	Domenigoni	3.22	\$31,226,000	\$31,226,000
San Jacinto			Unincorporated	SR-79 (Hemet Bypass)	Domenigoni	Winchester	1.50	\$5,272,000	\$5,272,000
San Jacinto			Unincorporated	SR-79 (San Jacinto Bypass)	Ramona	SR-74 (Florida)	6.50	\$38,995,000	\$38,995,000
San Jacinto			Unincorporated	SR-79 (Sanderson)	Gilman Springs	Ramona	1.92	\$13,103,000	\$12,253,000
San Jacinto			Unincorporated	SR-79 (Winchester)	Domenigoni	Keller	4.90	\$17,583,000	\$11,524,000
Southwest			Canyon Lake	Goetz	Railroad Canyon	Newport	0.50	\$1,826,000	\$1,343,000
Southwest			Canyon Lake	Railroad Canyon	Canyon Hills	Goetz	1.95	\$3,865,000	\$3,763,000
Southwest			Lake Elmore	Railroad Canyon	I-15	Canyon Hills	2.29	\$17,494,000	\$17,494,000
Southwest			Murietta	Clinton Keith	I-15	Copper Craft	2.48	\$13,706,000	\$13,394,000
Southwest			Murietta	Clinton Keith	Copper Craft	Toulon	0.83	\$0	\$0
Southwest			Murietta	Clinton Keith	Toulon	I-215	0.83	\$17,123,000	\$17,123,000
Southwest			Murietta	Clinton Keith	I-215	Meadowlark	0.75	\$875,000	\$875,000
Southwest			Murietta	French Valley (Date)	SR-79 (Winchester)	Margarita	1.03	\$1,852,000	\$1,852,000
Southwest			Murietta	Meadowlark (Merilee)	Keller	Clinton Keith	2.00	\$4,685,000	\$4,685,000
Southwest			Murietta	Merilee	Scott	Keller	1.08	\$0	\$0
Southwest			Temecula	French Valley	Margarita	Ynez	0.91	\$0	\$0
Southwest			Temecula	French Valley	Ynez	Murietta Creek	1.29	\$38,875,000	\$25,954,000
Southwest			Temecula	French Valley	Rancho California	I-15 (Front)	2.36	\$11,566,000	\$11,566,000
Southwest			Temecula	French Valley	Murietta Hot Springs	I-15 (Front)	1.86	\$26,791,000	\$10,413,000
Southwest			Temecula	SR-79 (Winchester)	Jefferson	Jefferson	2.70	\$7,896,000	\$7,896,000
Southwest			Widomar	Bundy Canyon	I-15	Sunset	3.42	\$17,222,000	\$17,222,000
Southwest			Widomar	Bundy Canyon	Sunset	Murietta	1.01	\$2,357,000	\$2,357,000
Southwest			Widomar	Clinton Keith	Palomar	I-15	0.55	\$0	\$0
Southwest			Unincorporated	Benton	SR-79	Eastern Bypass	2.40	\$2,814,000	\$2,814,000
Southwest			Unincorporated	Clinton Keith	Meadowlark	SR-79	2.54	\$23,958,000	\$23,958,000
Southwest			Unincorporated	Newport	Merilee	Udenberger	0.77	\$0	\$0
Southwest			Unincorporated	Newport	Udenberger	SR-79 (Winchester)	3.58	\$0	\$0
Southwest			Unincorporated	SR-74	I-15	Ethanol	4.89	\$22,828,000	\$22,784,000
Southwest			Unincorporated	SR-79 (Eastern Bypass/Washli)	SR-79 (Winchester)	Borel	4.52	\$5,713,000	\$5,713,000
Southwest			Unincorporated	SR-79 (Eastern Bypass)	Borel	Vino	4.04	\$12,693,000	\$12,693,000
Southwest			Unincorporated	SR-79 (Eastern Bypass/Anza)	Vino	SR-79 (Constance)	4.49	\$4,125,000	\$4,125,000
Southwest			Unincorporated	SR-79 (Eastern Bypass/Anza)	SR-79 (Constance)	Santa Rita	1.14	\$3,945,000	\$3,945,000
Southwest			Unincorporated	SR-79 (Eastern Bypass/Anza)	Santa Rita	Fairview	1.77	\$4,829,000	\$4,829,000
Southwest			Unincorporated	SR-79 (Eastern Bypass)	Fairview	Palma	1.48	\$4,039,000	\$4,039,000
Southwest			Unincorporated	SR-79 (Eastern Bypass)	Palma	I-15	4.21	\$30,958,000	\$30,958,000
Southwest			Unincorporated	SR-79 (Winchester)	Keller	Thompson	2.47	\$4,423,000	\$4,423,000
Southwest			Unincorporated	SR-79 (Winchester)	Thompson	La Alba	1.81	\$3,248,000	\$1,810,000
Southwest			Unincorporated	SR-79 (Winchester)	La Alba	Hunter	0.50	\$903,000	\$381,000
Southwest			Unincorporated	SR-79 (Winchester)	Hunter	Murietta Hot Springs	1.14	\$0	\$0
Subtotal							295.15	\$1,056,393,000	\$892,539,000

Table A1-2.1 - TUMF Network Cost Estimates – 50% ADJUSTED (continued)

AREA	PLAN	DIST	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	ADJUSTED COST	ADJ MAX TUMF SHARE
Central			Menifee	Briggs	Newport	Scott	3.05	\$3,574,000	\$3,574,000
Central			Menifee	Goetz	Juanita	Lesser Lane	2.61	\$3,057,000	\$2,966,000
Central			Menifee	Goetz	Newport	Juanita	1.36	\$0	\$0
Central			Menifee	Holland	Antelope	Houn	1.00	\$6,511,000	\$6,511,000
Central			Menifee	McCall	Menifee	SR 79 (Winchester)	4.45	\$5,209,000	\$5,209,000
Central			Menifee	McCall	SR-79 (Winchester)	Warren	2.58	\$3,016,000	\$3,016,000
Central			Menifee	McCall	I-215	Aspel	1.23	\$9,334,000	\$9,334,000
Central			Menifee	McCall	Aspel	Menifee	0.95	\$2,235,000	\$2,235,000
Central			Menifee	Murieta	Ethanac	McCall	1.95	\$1,621,000	\$1,621,000
Central			Menifee	Murieta	McCall	Newport	2.03	\$0	\$0
Central			Menifee	Murieta	Newport	Bundy Canyon	3.00	\$0	\$0
Central			Moreno Valley	Cactus	I-215	Heacock	1.81	\$18,587,000	\$18,587,000
Central			Moreno Valley	Eucalyptus	I-215	Towngate	1.00	\$1,345,000	\$1,345,000
Central			Moreno Valley	Eucalyptus	Towngate	Frederick	0.67	\$0	\$0
Central			Moreno Valley	Frederick	SR-60	Alessandro	1.55	\$0	\$0
Central			Moreno Valley	Heacock	Cactus	San Michele	2.79	\$4,880,000	\$3,362,000
Central			Moreno Valley	Heacock	Reche Vista	Cactus	4.73	\$0	\$0
Central			Moreno Valley	Heacock	San Michele	Harley Knox	0.74	\$1,496,000	\$1,238,000
Central			Moreno Valley	Ironwood	SR-60	Redlands	8.46	\$17,756,000	\$17,756,000
Central			Moreno Valley	Lasselle	Eucalyptus	Alessandro	1.00	\$1,073,000	\$1,073,000
Central			Moreno Valley	Lasselle	Alessandro	John F Kennedy	1.00	\$1,437,000	\$1,437,000
Central			Moreno Valley	Lasselle	John F Kennedy	Cleander	3.14	\$0	\$0
Central			Moreno Valley	Moreno Beach	Reche Canyon	SR-60	1.37	\$18,606,000	\$18,606,000
Central			Moreno Valley	Nason	Ironwood	Alessandro	2.02	\$18,688,000	\$18,688,000
Central			Moreno Valley	Pigeon Pass	Ironwood	SR-60	0.43	\$0	\$0
Central			Moreno Valley	Pigeon Pass/CETAP Corridor	Cantarlui	Ironwood	3.23	\$1,161,000	\$1,161,000
Central			Moreno Valley	Reche Canyon	Reche Vista	Moreno Beach	4.02	\$0	\$0
Central			Moreno Valley	Redlands	Locust	Alessandro	2.68	\$20,961,000	\$20,613,000
Central			Moreno Valley	Sunnymead	Frederick	Perris	2.02	\$0	\$0
Central			Perris	Ellis	SR-74 (4th)	I-215	1.92	\$26,187,000	\$26,187,000
Central			Perris	Evans	Piacentia	Nuevo	1.50	\$985,000	\$985,000
Central			Perris	Evans	Morgan	Ramona	0.59	\$693,000	\$693,000
Central			Perris	Evans	Nuevo	I-215	1.99	\$8,011,000	\$8,011,000
Central			Perris	Evans	Cleander	Ramona	0.99	\$0	\$0
Central			Perris	Evans	Piacentia	Rider	0.58	\$0	\$0
Central			Perris	Evans	Rider	Morgan	0.49	\$580,000	\$580,000
Central			Perris	Goetz	Lesser	Ethanac	1.04	\$1,218,000	\$977,000
Central			Perris	Harley Knox	I-215	Indian	1.53	\$10,644,000	\$10,644,000
Central			Perris	Harley Knox	Indian	Perris	0.50	\$224,000	\$224,000
Central			Perris	Harley Knox	Perris	Evans	1.03	\$3,696,000	\$3,696,000
Central			Perris	Nuevo	I-215	Murieta	1.36	\$10,330,000	\$10,330,000
Central			Perris	Nuevo	Murieta	Dunlap	1.00	\$2,156,000	\$2,156,000
Central			Perris	Piacentia	I-215	Indian	0.37	\$17,020,000	\$17,020,000
Central			Perris	Piacentia	Indian	Redlands	1.00	\$1,170,000	\$1,170,000
Central			Perris	Piacentia	Redlands	Wilson	0.25	\$0	\$0
Central			Perris	Piacentia	Wilson	Evans	0.75	\$4,270,000	\$4,270,000
Central			Perris	SR-74 (Matthews)	I-215 (mostly in Perris)	Ethanac	1.25	\$7,896,000	\$7,896,000
Central			Unincorporated	Briggs	SR-74 (Pinacate)	Simpson	2.50	\$5,857,000	\$5,857,000
Central			Unincorporated	Briggs	Simpson	Newport	1.53	\$4,294,000	\$4,294,000
Central			Unincorporated	Center (Main)	I-215	MI Vernon	1.50	\$16,733,000	\$16,733,000
Central			Unincorporated	Ellis	Post	SR-74	2.65	\$3,102,000	\$3,102,000
Central			Unincorporated	Mount Vernon/CETAP Corridor	Center	Pigeon Pass	0.61	\$945,000	\$945,000
Central			Unincorporated	Nuevo	Dunlap	Menifee	2.00	\$4,012,000	\$4,012,000
Central			Unincorporated	Pigeon Pass/CETAP Corridor	Cantarlui	Mount Vernon	3.38	\$10,544,000	\$10,544,000
Central			Unincorporated	Post	Santa Rosa Mine	Ellis	0.44	\$0	\$0
Central			Unincorporated	Redlands	San Timoteo Canyon	Locust	2.60	\$0	\$0
Northwest			Corona	6th	SR-91	Magnolia	4.84	\$0	\$0
Northwest			Corona	Auto Center	Railroad	SR-91	0.30	\$6,148,000	\$0
Northwest			Corona	Hidden Valley	Norco Hills	McKinley	0.59	\$0	\$0
Northwest			Corona	Lincoln	Parkridge	Ontario	3.20	\$0	\$0
Northwest			Corona	Magnolia	6th	Sherborn	0.61	\$2,352,000	\$2,352,000
Northwest			Corona	Magnolia	Sherborn	Rimpau	0.39	\$0	\$0
Northwest			Corona	Magnolia	Rimpau	Ontario	1.17	\$0	\$0
Northwest			Corona	Main	Grand	Ontario	0.88	\$1,031,000	\$975,000
Northwest			Corona	Main	Ontario	Foothill	0.74	\$0	\$0
Northwest			Corona	Main	Hidden Valley	Parkridge	0.35	\$624,000	\$479,000
Northwest			Corona	Main	Parkridge	SR-91	0.86	\$0	\$0
Northwest			Corona	Main	SR-91	S. Grand	0.86	\$2,365,000	\$2,365,000
Northwest			Corona	McKinley	Hidden Valley	Promenade	0.57	\$0	\$0
Northwest			Corona	McKinley	Promenade	SR-91	0.33	\$0	\$0
Northwest			Corona	McKinley	SR-91	Magnolia	0.31	\$21,071,000	\$19,171,000
Northwest			Corona	Ontario	I-15	El Centro	0.94	\$1,693,000	\$1,693,000
Northwest			Corona	Ontario	Lincoln	Buena Vista	0.32	\$577,000	\$316,000
Northwest			Corona	Ontario	Buena Vista	Main	0.65	\$0	\$0
Northwest			Corona	Ontario	Main	Kellogg	0.78	\$0	\$0
Northwest			Corona	Ontario	Kellogg	Fullerton	0.32	\$884,000	\$884,000
Northwest			Corona	Ontario	Fullerton	Rimpau	0.42	\$0	\$0
Northwest			Corona	Ontario	Rimpau	I-15	0.60	\$0	\$0
Northwest			Corona	Railroad	Auto Club	Sherman	1.97	\$6,148,000	\$6,148,000
Northwest			Corona	Railroad	Main (at Grand)	Main	1.26	\$2,265,000	\$1,513,000
Northwest			Corona	River	Corydon	Main	2.27	\$0	\$0
Northwest			Corona	Serfas Club	SR-91	Green River	0.96	\$0	\$0

Table A1-2.1 - TUMF Network Cost Estimates – 50% ADJUSTED (continued)

AREA	PLAN	DIST	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	ADJUSTED COST	ADJ MAX TUMF SHARE
Northwest	Narco			1st	Parkridge	Mountain	0.26	\$300,000	\$300,000
Northwest	Narco			1st	Mountain	Hamner	0.26	\$0	\$0
Northwest	Narco			2nd	River	I-15	1.44	\$1,682,000	\$1,160,000
Northwest	Narco			6th	Hamner	California	1.71	\$7,896,000	\$7,896,000
Northwest	Narco			Arlington	North	Arlington	0.97	\$1,141,000	\$1,141,000
Northwest	Narco			California	Arlington	6th	0.98	\$1,759,000	\$1,759,000
Northwest	Narco			Carydon	River	5th	1.46	\$2,628,000	\$2,628,000
Northwest	Narco			Hamner	Santa Ana River	Hidden Valley	3.05	\$5,476,000	\$5,476,000
Northwest	Narco			Hidden Valley	I-15	Narco Hills	1.52	\$0	\$0
Northwest	Narco			Hidden Valley	Hamner	I-15	0.13	\$0	\$0
Northwest	Narco			Narco	Carydon	Hamner	1.20	\$2,159,000	\$2,159,000
Northwest	Narco			North	California	Arlington	0.81	\$0	\$0
Northwest	Narco			River	Archibald	Carydon	1.14	\$2,045,000	\$1,164,000
Northwest	Riverside			14th	Market	Martin Luther King	0.89	\$0	\$0
Northwest	Riverside			1st	Market	Main	0.08	\$0	\$0
Northwest	Riverside			3rd	Chicago	I-215	0.36	\$0	\$0
Northwest	Riverside			Adams	SR-91	Arlington	1.56	\$0	\$0
Northwest	Riverside			Adams	SR-91	Lincoln	0.54	\$6,148,000	\$6,148,000
Northwest	Riverside			Buena Vista	Santa Ana River	Redwood	0.30	\$0	\$0
Northwest	Riverside			Canyon Crest	Canyon Crest	Country Club	0.59	\$0	\$0
Northwest	Riverside			Canyon Crest	Country Club	Via Vista	0.94	\$1,284,000	\$927,000
Northwest	Riverside			Canyon Crest	Via Vista	Alessandro	0.68	\$0	\$0
Northwest	Riverside			Canyon Crest	Martin Luther King	Central	0.95	\$0	\$0
Northwest	Riverside			Central	Chicago	I-215/SR-60	2.15	\$0	\$0
Northwest	Riverside			Central	SR-91	Magnolia	0.76	\$1,363,000	\$1,363,000
Northwest	Riverside			Central	Alessandro	SR-91	2.05	\$0	\$0
Northwest	Riverside			Central	Van Buren	Magnolia	3.53	\$0	\$0
Northwest	Riverside			Chicago	Alessandro	Spruce	3.42	\$0	\$0
Northwest	Riverside			Chicago	Spruce	Columbia	0.75	\$13,195,000	\$13,195,000
Northwest	Riverside			Columbia	Main	Iowa	1.09	\$14,044,000	\$14,044,000
Northwest	Riverside			Iowa	Center	3rd	2.25	\$13,254,000	\$13,254,000
Northwest	Riverside			Iowa	3rd	University	0.51	\$0	\$0
Northwest	Riverside			JFK	Trautwein	Wood	0.48	\$0	\$0
Northwest	Riverside			La Sierra	Arlington	SR-91	3.56	\$0	\$0
Northwest	Riverside			La Sierra	SR-91	Indiana	0.19	\$0	\$0
Northwest	Riverside			La Sierra	Indiana	Victoria	0.78	\$0	\$0
Northwest	Riverside			Lemon (NB One way)	Mission Inn	University	0.08	\$0	\$0
Northwest	Riverside			Lincoln	Adams	Washington	1.55	\$0	\$0
Northwest	Riverside			Lincoln	Van Buren	Adams	1.54	\$0	\$0
Northwest	Riverside			Lincoln	Washington	Victoria	1.43	\$2,567,000	\$2,567,000
Northwest	Riverside			Lincoln	Victoria	Arlington	0.28	\$0	\$0
Northwest	Riverside			Madison	SR-91	Victoria	0.86	\$6,148,000	\$6,148,000
Northwest	Riverside			Magnolia	BNSF RR	La Sierra	3.09	\$6,148,000	\$6,148,000
Northwest	Riverside			Magnolia	La Sierra	Harrison	2.70	\$0	\$0
Northwest	Riverside			Magnolia	Harrison	14th	5.98	\$6,148,000	\$6,148,000
Northwest	Riverside			Main	1st	San Bernardino County	2.19	\$0	\$0
Northwest	Riverside			Market	14th	Santa Ana River	2.03	\$0	\$0
Northwest	Riverside			Martin Luther King	14th	I-215/SR-60	2.11	\$3,788,000	\$3,447,000
Northwest	Riverside			Mission Inn	Redwood	Lemon	0.79	\$0	\$0
Northwest	Riverside			Overlook	Sandtrack	Alessandro	0.32	\$0	\$0
Northwest	Riverside			Overlook	Washington	Bodewyn/Via Montecito	0.56	\$0	\$0
Northwest	Riverside			Overlook	Bodewyn/Via Montecito	Crystal View	0.81	\$1,606,000	\$1,606,000
Northwest	Riverside			Overlook	Crystal View	Via Vista	0.55	\$6,361,000	\$6,361,000
Northwest	Riverside			Overlook	Via Vista	Sandtrack	0.43	\$1,252,000	\$1,252,000
Northwest	Riverside			Redwood (SB One way)	Mission Inn	University	0.08	\$0	\$0
Northwest	Riverside			Trautwein	Alessandro	Van Buren	2.19	\$0	\$0
Northwest	Riverside			Tyler	SR-91	Magnolia	0.43	\$16,153,000	\$16,153,000
Northwest	Riverside			Tyler	Magnolia	Hole	0.27	\$0	\$0
Northwest	Riverside			Tyler	Hole	Wells	1.06	\$0	\$0
Northwest	Riverside			Tyler	Wells	Arlington	1.35	\$2,424,000	\$2,424,000
Northwest	Riverside			University	Redwood	SR-91	0.86	\$0	\$0
Northwest	Riverside			University	SR-91	I-215/SR-60	2.01	\$0	\$0
Northwest	Riverside			Victoria	Madison	Washington	0.52	\$0	\$0
Northwest	Riverside			Washington	Victoria	Hermosa	2.05	\$3,686,000	\$3,686,000
Northwest	Riverside			Wood	JFK	Van Buren	0.70	\$410,000	\$410,000
Northwest	Riverside			Wood	Van Buren	Bergamont	0.11	\$0	\$0
Northwest	Riverside			Wood	Bergamont	Krameria	0.39	\$184,000	\$184,000
Northwest	Unincorporated			Archibald	San Bernardino County	River	3.63	\$6,628,000	\$5,617,000
Northwest	Unincorporated			Armstrong	San Bernardino County	Valley	1.53	\$687,000	\$583,000
Northwest	Unincorporated			Belgrave	Canlu-Galleano Ranch	Van Buren	0.29	\$337,000	\$304,000
Northwest	Unincorporated			Canlu-Galleano Ranch	Hamner	Wineville	0.94	\$0	\$0
Northwest	Unincorporated			Canlu-Galleano Ranch	Wineville	Belgrave	1.82	\$3,411,000	\$3,411,000
Northwest	Unincorporated			Das Lagos (Weirick)	Temescal Canyon	I-15	0.21	\$0	\$0
Northwest	Unincorporated			El Cerrito	I-15	Ontario	0.56	\$651,000	\$651,000
Northwest	Unincorporated			Elwanda	San Bernardino County	SR-60	1.00	\$0	\$0
Northwest	Unincorporated			Elwanda	SR-60	Umonte	3.00	\$0	\$0

Table A1-2.1 - TUMF Network Cost Estimates – 50% ADJUSTED (continued)

AREA	PLAN	DIST	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	ADJUSTED COST	ADJ MAX TUMF SHARE
Northwest	Unincorporated			Hamner	Bellgrave	Amberhill	0.42	\$486,000	\$486,000
Northwest	Unincorporated			Hamner	Amberhill	Limonite	0.49	\$1,151,000	\$925,000
Northwest	Unincorporated			Hamner	Limonite	Schleisman	1.00	\$1,168,000	\$1,168,000
Northwest	Unincorporated			Hamner	Schleisman	Santa Anna River	1.29	\$13,036,000	\$12,850,000
Northwest	Unincorporated			Hamner	Mission	Bellgrave	1.11	\$1,299,000	\$1,278,000
Northwest	Unincorporated			Harley John	Washington	Scottsdale	0.12	\$0	\$0
Northwest	Unincorporated			Harley John	Scottsdale	Cajalco	1.19	\$1,392,000	\$1,392,000
Northwest	Unincorporated			La Sierra	Victoria	El Sobrante	2.22	\$0	\$0
Northwest	Unincorporated			La Sierra	El Sobrante	Cajalco	2.36	\$0	\$0
Northwest	Unincorporated			Limonite	Archibald	Hamner	1.99	\$2,337,000	\$2,187,000
Northwest	Unincorporated			Limonite	I-15	I-15	0.62	\$8,617,000	\$8,376,000
Northwest	Unincorporated			Limonite	I-15	Wineville	0.40	\$0	\$0
Northwest	Unincorporated			Limonite	Wineville	Ethwanda	0.99	\$0	\$0
Northwest	Unincorporated			Limonite	Ethwanda	Van Buren	2.72	\$6,370,000	\$4,651,000
Northwest	Unincorporated			Limonite	Van Buren	Clay	0.79	\$930,000	\$930,000
Northwest	Unincorporated			Limonite	Clay	Riverview	2.45	\$0	\$0
Northwest	Unincorporated			Market	Rubidoux	Santa Ana River	1.74	\$6,221,000	\$5,878,000
Northwest	Unincorporated			Mission	Milliken	SR-60	1.61	\$0	\$0
Northwest	Unincorporated			Mission	SR-60	Santa Ana River	7.39	\$0	\$0
Northwest	Unincorporated			Mockingbird Canyon	Van Buren	Cajalco	4.34	\$5,916,000	\$5,788,000
Northwest	Unincorporated			Riverview	Limonite	Mission	0.95	\$0	\$0
Northwest	Unincorporated			Rubidoux	San Bernardino County	Mission	2.65	\$7,896,000	\$7,896,000
Northwest	Unincorporated			Temescal Canyon	Ontario	Tuscan	0.65	\$707,000	\$707,000
Northwest	Unincorporated			Temescal Canyon	Tuscan	Das Lagos	0.91	\$0	\$0
Northwest	Unincorporated			Temescal Canyon	Das Lagos	Leroy	1.10	\$1,506,000	\$1,506,000
Northwest	Unincorporated			Temescal Canyon	Leroy	Dawson Canyon	1.89	\$2,573,000	\$2,573,000
Northwest	Unincorporated			Temescal Canyon	Dawson Canyon	I-15	0.28	\$7,896,000	\$7,896,000
Northwest	Unincorporated			Temescal Canyon	I-15	Park Canyon	3.41	\$5,309,000	\$5,309,000
Northwest	Unincorporated			Temescal Canyon	Park Canyon	Indian Truck Trail	2.55	\$3,475,000	\$3,475,000
Northwest	Unincorporated			Valley	Armstrong	Mission	0.48	\$0	\$0
Northwest	Unincorporated			Washington	Hermosa	Harley John	3.96	\$4,641,000	\$4,641,000
Northwest	Unincorporated			Wood	Krameria	Cajalco	2.99	\$3,499,000	\$3,499,000
Pass	Banning			8th	Wilson	I-10	0.54	\$0	\$0
Pass	Banning			Highland Springs	Oak Valley (14th)	Wilson (8th)	0.73	\$1,316,000	\$658,000
Pass	Banning			Highland Springs	Cherry Valley	Oak Valley (14th)	1.53	\$2,752,000	\$1,376,000
Pass	Banning			I-10 Bypass South	I-10	Apache Trail	3.29	\$15,041,000	\$15,041,000
Pass	Banning			Lincoln	Sunset	SR-243	2.01	\$0	\$0
Pass	Banning			Ramsey	I-10	Wilson (8th)	1.70	\$0	\$0
Pass	Banning			Ramsey	Wilson (8th)	Highland Springs	3.55	\$0	\$0
Pass	Banning			SR-243	I-10	Wesley	0.62	\$0	\$0
Pass	Banning			Sun Lakes	Highland Home	Sunset	1.00	\$5,258,000	\$5,258,000
Pass	Banning			Sun Lakes	Highland Springs	Highland Home	1.33	\$0	\$0
Pass	Banning			Sunset	Ramsey	Lincoln	0.28	\$21,597,000	\$21,597,000
Pass	Banning			Wilson (8th)	Highland Home	Wilson (8th)	2.51	\$0	\$0
Pass	Banning			Wilson (8th)	Highland Springs	Highland Home	1.01	\$1,807,000	\$1,807,000
Pass	Beaumont			1st	Viele	Pennsylvania	1.28	\$2,304,000	\$0
Pass	Beaumont			1st	Pennsylvania	Highland Springs	1.10	\$0	\$0
Pass	Beaumont			6th	I-10	Highland Springs	2.24	\$0	\$0
Pass	Beaumont			Desert Lawn	Champlons	Oak Valley (STC)	0.99	\$1,155,000	\$0
Pass	Beaumont			Highland Springs	Wilson (8th)	Sun Lakes	0.76	\$9,262,000	\$8,579,000
Pass	Beaumont			Oak Valley (14th)	Highland Springs	Pennsylvania	1.13	\$0	\$0
Pass	Beaumont			Oak Valley (14th)	Pennsylvania	Oak View	1.40	\$0	\$0
Pass	Beaumont			Oak Valley (14th)	Oak View	I-10	0.65	\$10,269,000	\$0
Pass	Beaumont			Oak Valley (STC)	Beaumont City Limits	Cherry Valley (J St / Central Over)	3.46	\$0	\$0
Pass	Beaumont			Oak Valley (STC)	Cherry Valley (J St / Central Over)	I-10	1.67	\$1,952,000	\$0
Pass	Beaumont			Pennsylvania	6th	1st	0.53	\$7,896,000	\$0
Pass	Beaumont			Viele	1st	1st	0.31	\$559,000	\$0
Pass	Beaumont			Viele	6th	4th	0.50	\$14,100,000	\$0
Pass	Calimesa			Bryant	County Line	Singleton	0.38	\$0	\$0
Pass	Calimesa			Calimesa	County Line	I-10	0.80	\$16,153,000	\$16,153,000
Pass	Calimesa			Cherry Valley	Roberts	Palmer	0.50	\$582,000	\$0
Pass	Calimesa			County Line	I-10	Bryant	1.76	\$9,476,000	\$9,476,000
Pass	Calimesa			Desert Lawn	Cherry Valley	Champions	1.61	\$1,882,000	\$1,882,000
Pass	Calimesa			Singleton	Singleton	Condit	1.86	\$5,081,000	\$5,081,000
Pass	Calimesa			Singleton	Condit	Roberts	0.85	\$17,679,000	\$17,679,000
Pass	Unincorporated			Cherry Valley	Highland Springs	Noble	0.95	\$2,231,000	\$2,231,000
Pass	Unincorporated			Cherry Valley	Noble	Desert Lawn	3.40	\$21,383,000	\$21,383,000
Pass	Unincorporated			Live Oak Canyon	Oak Valley (STC)	San Bernardino County	2.81	\$0	\$0
Pass	Unincorporated			Oak Valley (STC)	San Bernardino County	Beaumont City Limits	5.65	\$6,598,000	\$6,598,000
San Jacinto	Hemet			Sanderson	Acacia	Merlo	0.98	\$0	\$0
San Jacinto	Hemet			Sanderson	Domenigoni	Stetson	1.08	\$0	\$0
San Jacinto	Hemet			Sanderson	RR Crossing	Acacia	0.42	\$0	\$0
San Jacinto	Hemet			Sanderson	Stetson	RR Crossing	0.58	\$0	\$0
San Jacinto	Hemet			Sanderson	Merlo	Esplanade	1.00	\$1,794,000	\$895,000
San Jacinto	Hemet			SR-74	Warren	Cawston	1.02	\$0	\$0
San Jacinto	Hemet			SR-74 (Florida)	Columbia	Ramona	2.58	\$0	\$0
San Jacinto	Hemet			SR-74/SR-79 (Florida)	Cawston	Columbia	4.03	\$0	\$0
San Jacinto	Hemet			State	Domenigoni	Chambers	1.31	\$0	\$0
San Jacinto	Hemet			State	Chambers	Stetson	0.51	\$0	\$0
San Jacinto	Hemet			State	Florida	Esplanade	1.74	\$0	\$0
San Jacinto	Hemet			State	Stetson	Florida	1.25	\$3,440,000	\$2,469,000
San Jacinto	Hemet			Stetson	Cawston	State	2.52	\$0	\$0
San Jacinto	Hemet			Stetson	Warren	Cawston	1.00	\$1,170,000	\$1,170,000
San Jacinto	Hemet			Warren	Esplanade	Domenigoni	4.99	\$7,096,000	\$6,697,000

Table A1-2.1 - TUMF Network Cost Estimates – 50% ADJUSTED (continued)

AREA	PLAN	DIST	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	ADJUSTED COST	ADJ MAX TUMF SHARE
San Jacinto	San Jacinto			Esplanade	Ramona	Mountain	0.20	\$717,000	\$717,000
San Jacinto	San Jacinto			Esplanade	Mountain	State	2.55	\$0	\$0
San Jacinto	San Jacinto			Esplanade	State	Warren	3.53	\$4,138,000	\$4,138,000
San Jacinto	San Jacinto			Sanderson	Ramona	Esplanade	3.55	\$4,155,000	\$2,081,000
San Jacinto	San Jacinto			SR-79 (North Ramona)	State	San Jacinto	1.02	\$0	\$0
San Jacinto	San Jacinto			SR-79 (San Jacinto)	7th	SR-74	2.25	\$0	\$0
San Jacinto	San Jacinto			SR-79 (San Jacinto)	North Ramona Blvd	7th	0.25	\$443,000	\$443,000
San Jacinto	San Jacinto			State	Ramona	Esplanade	1.99	\$0	\$0
San Jacinto	San Jacinto			State Street	Gilman Springs	Quandt Ranch	0.76	\$2,980,000	\$2,675,000
San Jacinto	San Jacinto			State Street	Quandt Ranch	Ramona	0.70	\$0	\$0
San Jacinto	San Jacinto			Warren	Ramona	Esplanade	3.47	\$4,066,000	\$4,066,000
San Jacinto	Unincorporated			Gilman Springs	Sanderson	State	2.54	\$3,399,000	\$2,368,000
San Jacinto	Unincorporated			SR-74 (Winchester)	SR-74 (Florida)	Damenigoni	3.23	\$0	\$0
Southwest	Lake Elsinore			Diamond	Mission	I-15	0.24	\$281,000	\$268,000
Southwest	Lake Elsinore			Grand	Lincoln	Toft	1.29	\$0	\$0
Southwest	Lake Elsinore			Grand	Toft	SR-74 (Riverside)	0.86	\$603,000	\$603,000
Southwest	Lake Elsinore			Lake	I-15	Lincoln	3.10	\$11,071,000	\$10,291,000
Southwest	Lake Elsinore			Mission	Railroad Canyon	Bundy Canyon	2.39	\$0	\$0
Southwest	Lake Elsinore			SR-74 (Collier/Riverside)	I-15	Lakeshore	2.10	\$7,539,000	\$5,823,000
Southwest	Lake Elsinore			SR-74 (Grand)	Riverside	SR-74 (Ortega)	0.64	\$2,283,000	\$1,968,000
Southwest	Lake Elsinore			SR-74 (Riverside)	Lakeshore	Grand	1.74	\$5,605,000	\$5,473,000
Southwest	Murietta			California Oaks	I-15	Jefferson	0.32	\$16,722,000	\$16,722,000
Southwest	Murietta			California Oaks	I-15	Clinton Keith	2.26	\$0	\$0
Southwest	Murietta			Jefferson	Murietta Hot Springs	Cherry	2.26	\$0	\$0
Southwest	Murietta			Jefferson	Palomar	Nutmeg	1.02	\$2,388,000	\$2,388,000
Southwest	Murietta			Jefferson	Nutmeg	Murietta Hot Springs	2.37	\$8,502,000	\$8,052,000
Southwest	Murietta			Los Alamos	Jefferson	I-15	0.38	\$2,135,000	\$2,135,000
Southwest	Murietta			Los Alamos	I-15	I-215	1.39	\$2,503,000	\$2,398,000
Southwest	Murietta			Murietta Hot Springs	I-215	Margarita	1.48	\$0	\$0
Southwest	Murietta			Murietta Hot Springs	Jefferson	I-215	1.11	\$0	\$0
Southwest	Murietta			Murietta Hot Springs	Margarita	SR-79 (Winchester)	1.01	\$1,180,000	\$723,000
Southwest	Murietta			Nutmeg	Jefferson	Clinton Keith	1.97	\$0	\$0
Southwest	Murietta			Whitewood	Clinton Keith	Las Alamos	2.01	\$0	\$0
Southwest	Temecula			Jefferson	Cherry	Rancho California	2.29	\$0	\$0
Southwest	Temecula			Margarita	Murietta Hot Springs	SR-79 (Temecula)	7.38	\$0	\$0
Southwest	Temecula			Old Town front	Rancho California	I-15/SR-79	1.45	\$0	\$0
Southwest	Temecula			Pechanga	SR-79 (Temecula)	Via Gilberto	1.32	\$0	\$0
Southwest	Temecula			Pechanga	Via Gilberto	Pechanga Road	1.44	\$0	\$0
Southwest	Temecula			Rancho California	Jefferson	Margarita	1.89	\$9,981,000	\$9,192,000
Southwest	Temecula			Rancho California	Margarita	Butterfield Stage	1.96	\$5,410,000	\$5,410,000
Southwest	Temecula			SR-79 (Temecula)	I-15	Pechanga	0.64	\$750,000	\$61,000
Southwest	Temecula			SR-79 (Temecula)	Pechanga Road	Butterfield Stage	3.08	\$0	\$0
Southwest	Widomar			Baxter	I-15	Palomar	0.37	\$8,327,000	\$8,327,000
Southwest	Widomar			Bundy Canyon	Mission	I-15	0.94	\$1,679,000	\$1,679,000
Southwest	Widomar			Central	Baxter	Palomar	0.74	\$1,320,000	\$1,320,000
Southwest	Widomar			Mission	Bundy Canyon	Palomar	0.84	\$0	\$0
Southwest	Widomar			Palomar	Clinton Keith	Jefferson	0.74	\$862,000	\$862,000
Southwest	Widomar			Palomar	Mission	Clinton Keith	2.79	\$3,266,000	\$3,266,000
Southwest	Unincorporated			Briggs	Scott	SR-79 (Winchester)	3.39	\$3,973,000	\$3,973,000
Southwest	Unincorporated			Butterfield Stage	Murietta Hot Springs	Rancho California	1.78	\$10,294,000	\$10,294,000
Southwest	Unincorporated			Butterfield Stage	Rancho California	SR-79 (Temecula)	2.30	\$3,132,000	\$3,132,000
Southwest	Unincorporated			Butterfield Stage	SR-79 (Winchester)	Auld	2.28	\$3,111,000	\$3,111,000
Southwest	Unincorporated			Butterfield Stage	Auld	Murietta Hot Springs	2.23	\$9,843,000	\$9,843,000
Southwest	Unincorporated			Central	Grand	Palomar	0.51	\$916,000	\$916,000
Southwest	Unincorporated			Grand	Ortega	Central	6.98	\$12,526,000	\$12,526,000
Southwest	Unincorporated			Hanselthief Canyon	Temescal Canyon	I-15	0.17	\$199,000	\$199,000
Southwest	Unincorporated			Indian Truck Trail	Temescal Canyon	I-15	0.18	\$8,306,000	\$8,306,000
Southwest	Unincorporated			Murietta Hot Springs	SR-79 (Winchester)	Pourroy	1.75	\$0	\$0
Southwest	Unincorporated			Pala	Pechanga	San Diego County	1.38	\$0	\$0
Southwest	Unincorporated			Temescal Canyon	Indian Truck Trail	Lake	1.21	\$2,062,000	\$2,062,000
Subtotal							471.25	\$912,160,000	\$841,520,000
Totals							766.40	\$ 1,968,553,000	\$ 1,734,059,000
Network								\$ 83,473,000	\$ 30,913,000
Transit								\$ 87,600,000	\$ 87,600,000
Administration								\$ 31,183,000	\$ 29,979,000
MSHCP									
Total								\$ 2,170,000,000	\$ 1,882,551,000

Table A1-2.2 - TUMF Schedule of Fees – 50% ADJUSTED

**Fee Levels (2009 CCI Adjustment as adopted February 2, 2009)
February 2, 2009 through October 12, 2009**

Land Use Type	Units	Fee Per Unit
Single Family Residential	DU	\$ 9,812
Multi Family Residential	DU	\$ 6,890
Industrial	SF GFA	\$ 1.84
Retail	SF GFA	\$ 9.99
Service	SF GFA	\$ 5.71
Class A & B Office**	SF GFA	\$ 2.19

**Fee Levels (2009 Nexus Update - 50% ADJUSTED - as adopted October 12, 2009)
October 13, 2009 through December 31, 2010***

Land Use Type	Units	Fee Per Unit
Single Family Residential	DU	\$ 4,437
Multi Family Residential	DU	\$ 3,115
Industrial	SF GFA	\$ 0.86
Retail	SF GFA	\$ 5.24
Service	SF GFA	\$ 2.10
Class A & B Office**	SF GFA	\$ 1.10

**Fee Levels (2009 Nexus Update as adopted October 12, 2009)
After December 31, 2010***

Land Use Type	Units	Fee Per Unit
Single Family Residential	DU	\$ 8,873
Multi Family Residential	DU	\$ 6,231
Industrial	SF GFA	\$ 1.73
Retail	SF GFA	\$ 10.49
Service	SF GFA	\$ 4.19
Class A & B Office**	SF GFA	\$ 2.19

Notes:

- * - Actual implementation date and fee levels may be adjusted for in accordance with local TUMF ordinances
- ** - Class A & B Office fee after July 1, 2007 to be reviewed based on results of detailed market analysis.

A detailed breakdown of the adjusted maximum TUMF share for projects on the TUMF Network is included as **Appendix A1-C** to this Addendum.

A1-2.2 TUMF Program Revenue Shortfall

Since the transportation impact of any new development remains constant as determined in the TUMF Nexus Study, the 50% reduction in fees means that the development is no longer contributing a fair share of the cost to mitigate its impacts. This effectively means that the TUMF Program is no longer able to collect sufficient revenues from new development to mitigate these impacts.

Section 66001 (d) (3) of the California Government Code requires a local authority that imposes an impact fee program to "identify (on at least a five yearly basis) all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a)." which refers to the "public facilities for which the fee is charged". Because the 50% reduction in the TUMF effectively forfeits a substantial portion of the funding that would be necessary to complete the facilities identified in the Nexus Study, it is necessary for the revenue shortfall to be made up from other sources. In accordance with the provision of the Mitigation Fee Act, it is necessary for WRCOG to identify the specific sources of revenue to be used for this purpose.

The Nexus Study for the TUMF Program is intended to establish the full funding fair share to complete facility improvements that are needed to mitigate the impacts of new development. However, as described in the TUMF Administrative Plan, the TUMF "Program is not designed to be the only source of revenue to construct the identified facilities, and it will be necessary for matching funds from a variety of available sources to be provided." As a result of the TUMF Ordinance exemption of Government and Public Sector land uses and certain other land use types, the phased implementation of other Non-Residential land uses, and statutory provisions for vesting rights, the TUMF program inherently includes a funding shortfall.

Based on the estimated fair share established in the TUMF Nexus Study completed for the 2009 Program Update, approximately 9% of the TUMF mitigation need can be attributed to the impact of Government and Public Sector land uses that are exempt by Ordinance from paying the fee. Furthermore, the 10-Year Strategic Plan previously estimated that approximately 2% of the estimated TUMF revenues will not be captured as a result of the original multi-year phase-in of TUMF for non-residential land uses, while an additional 5% will not be captured as a result of pre-existing local agency developer agreements and project vesting. Combined, these exemptions and waivers create an overall program shortfall of approximately 16% which equates to approximately \$602 million based on the Nexus Study completed for the 2009 Program Update, or approximately \$21.5 million on a prorated annualized basis.

In the past, the TUMF program has addressed the inherent program revenue shortfall that results from TUMF Ordinance exemptions and other statutory limitations through encouraging sponsoring agencies and private developers to voluntarily provide alternate revenue match (either as cash, in-lieu contributions or exactions). This voluntary use of alternate funding match is formalized in the 10-Year Strategic Plan as a criterion for ranking and prioritizing projects during programming. Typically this voluntary match has resulted in the Program meeting the inherent revenue shortfall of

approximately 15% to 20%. The temporary fee reduction will substantially increase the amount of the TUMF revenue shortfall that will be created during the period the reduction is in effect.

The temporary fee reduction will effectively reduce the fee revenue generated by a further 42% (50% of the 84% of revenues that would be otherwise generated based on the pre-existing TUMF Ordinance and statutory limitations). This would equate to a total of approximately \$2.2 billion in revenues being forfeited over the life of the Program based on the Nexus Study completed for the 2009 Program Update, or approximately \$78 million on a prorated annualized basis. Since the actual rate of development in Western Riverside County in recent years has been substantially below the historical average, it is likely the actual revenue shortfall observed during the fee reduction period would be less than the prorated annualized estimate. However, on a percentage basis, the revenue forfeited remains effectively consistent regardless of the rate of development, and since the level of impact (and the resultant cost to mitigate the impact) is directly proportional to the rate of development, the funding shortfall will remain approximately 58% of the fair share cost of mitigation that is attributable to the new development that occurs during the fee reduction period. In other words, only 42% of the fair share cost to mitigate the impacts of new development will actually be collected during the reduced fee period.

Consistent with the narrative described in the TUMF Administrative Plan, the local sponsoring agencies and private developers have a responsibility to seek alternative funding sources to meet the TUMF program funding shortfall. Alternate match to meet the TUMF funding shortfall could include the utilization of traditional transportation funding sources (such as STP, CMAQ, Measure A and other discretionary federal, state or local transportation funds) and in-kind services (such as local agency planning, engineering or right of way acquisition, or right of way and roadway facility dedications by private developers). The importance of local agencies and private developers seeking alternative funding sources to meet the program funding shortfall is further emphasized by the significant increase in the proportional share of the funding shortfall that will be created by each new development that does not contribute a fair share toward the cost to mitigate transportation impacts during the reduced fee period.

As described previously, it is estimated that the funding shortfall during the fee reduction period will be 58% of the fair share cost of mitigation that is attributable to the new development that occurs, based on the TUMF Nexus Study completed for the 2009 Program Update. Historically, sponsoring agencies and private developers have not demonstrated an ability to voluntarily provide such a substantial funding match and therefore additional measures will be required to ensure the Program funding shortfall can be adequately met. To ensure the funding shortfall is adequately addressed in accordance with the provision of the Mitigation Fee Act, a mandatory alternate match requirement may need to be established as part of the programming and implementation of all TUMF project, including projects sponsored by public agencies and those completed by private developers.

A1-3.0 APPENDICES

Appendix A1-A	Riverside County Board of Supervisors July 21, 2009 Action
Appendix A1-B	Riverside Economic Development Red Team Letter, August 24, 2009
Appendix A1-C	TUMF Network Detailed Cost Estimate - 50% ADJUSTED



Appendix A1-A

Riverside County Board of Supervisors July 21, 2009 Action

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Transportation and Land Management Agency (TLMA)

SUBMITTAL DATE:
July 2, 2009

SUBJECT: Temporary Reduction of Development Impact Fees (DIF).

RECOMMENDED MOTION: That the Board of Supervisors:

1. Re-introduce and adopt, on successive weeks, Ordinance No. 659.8, an Ordinance of the County of Riverside Amending Ordinance No. 659; and
2. Find the adoption of Ordinance No. 659.8 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty there is no possibility the ordinance may have a significant effect on the environment; and
3. Adopt Resolution No. 2009-236, a Resolution of the Riverside County Board of Supervisors encouraging the Western Riverside Council of Governments (WRCOG) to implement the Red Team recommendations for a Transportation Uniform Mitigation Fee (TUMF) Reduction; and
4. Direct TLMA and the Executive Office to report to the Board bi-annually on the temporary DIF reduction; and
5. Direct the Executive Office to work with the appropriate County Departments to establish a procedure to offset the loss of Development Impact Fee revenues.

CONTINUED ON PAGE 2

George Johnson
George Johnson, Director
Transportation and Land Management Agency

FINANCIAL DATA

Current F.Y. Total Cost:	\$ Unknown	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
Annual Net County Cost:	\$ N/A	For Fiscal Year:	2009/10

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Tina Grande
BY Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Wilson and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended and that Ordinance 659.8 is approved as re-introduced with waiver of the reading.

Ayes: Buster, Tavaglione, Stone, Wilson and Ashley
 Nays: None
 Absent: None
 Date: July 14, 2009
 xc: TLMA, E.O., WRCOG, COB(2)

Kecia Harper-Ihem
Clerk of the Board
By *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 3.85 - June 30, 2009 | District: All | Agenda Number:

ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

3.80

158s

FORM APPROVED COUNTY COUNSEL
BY: *Tina Grande* GUARDED 7-6-09
SYNTHIA M. GUNZEL DATE

Dep't Recomm... Per Exec. Ofc.:
 Policy ☒ Policy ☒
 Consent ☐ Consent ☐

BACKGROUND: At the June 30, 2009, Board of Supervisors meeting, the Board expressed a desire to increase the amount of the temporary fee reduction from 30% to 50%, but to limit the reduction to a one-year time period. Staff has revised the proposed ordinance amendment to show a 50% temporary reduction in fees for a period of one year. The Board reiterated its desire to have TLMA present bi-annual reports on the status of the temporary DIF reduction and make recommendations for program changes if appropriate.

An additional recommended motion is included in this Form 11 to address the Board of Supervisors' desire to look for ways to offset any potential loss of DIF revenues. The Executive Office would work with other appropriate county departments, including the Auditor-Controller, to establish a mechanism or procedure that would identify funding from other sources for infrastructure projects to offset the loss of DIF revenues.

GJ:GN:kh

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- a. Application. The temporary fee reduction described in this section shall not apply to or affect fees owed under any development agreement or other contractual arrangement in effect on or before the effective date of Ordinance No. 659.8. If reduced fees are paid at the time application is made for a building permit and either the application or the building permit issued on the application expires, subsequent building permit applications on the same parcel shall be subject to the full DIF amount, unless the temporary fee reduction is still in effect at the time of the subsequent application.

1 b. Effect. No provision of this section shall entitle any person
2 who has already paid Development Impact Fees to receive a
3 refund, credit or reimbursement of such payment. This
4 ordinance does not create any new Development Impact Fees or
5 increase the amount of any existing Development Impact Fees.
6 This ordinance only effects a temporary change in the County's
7 existing Development Impact Fees.

8 c. Expiration. As of August 20, 2010, this section is repealed
9 without further action by the Board of Supervisors, unless the
10 Board of Supervisors repeals or modifies this section prior to
11 that date. The repeal of this section shall not affect the validity
12 of actions taken or Development Impact Fees paid under the
13 authority of this section."
14

15 Section 3. Existing Sections 15. through 22. of Ordinance No. 659 are renumbered
16 Sections 16. through 23. respectively.

17 Section 4. Existing Section 17. of Ordinance No. 659 is amended to read as
18 follows:

19 "Section 18. CREDITS. If an owner or developer of real property
20 dedicates land or constructs facilities identified in the Public Facilities Needs List, the County
21 may grant the owner or developer a Credit in one or more of the Fee Components described in
22 this ordinance against the Development Impact Fees required. No Credit shall be granted for
23 the cost of improvements not defined herein as "Facilities." An owner or developer may
24 request a Credit from the Transportation and Land Management Agency at the time of
25 development approval. A Credit granted at the time of development approval shall be
26 included as a condition of that approval. After development approval, but before the issuance
27
28

1 of a building permit, an owner or developer may request a Credit from the Executive Office.
2 If the Transportation and Land Management Agency or the Executive Office determines that a
3 Credit is appropriate, the owner or developer shall enter into a Credit Agreement which shall
4 be approved by the Board of Supervisors. The Credit amount shall be initially calculated by
5 estimating the fair market value of the land dedicated or by estimating the cost of constructing
6 Facilities. The County shall subsequently review and determine the actual value of the land
7 dedicated and the actual construction costs allowable. Any Credit granted shall not exceed the
8 allocated cost for the Facilities. Any Credit granted shall be given in stated dollar amounts
9 only.”
10

11 Section 5. This ordinance shall take effect thirty (30) days after its adoption.
12

13 BOARD OF SUPERVISORS OF THE COUNTY
14 OF RIVERSIDE, STATE OF CALIFORNIA
15

16 By: _____
17 Chairman

18 ATTEST:
19

20 CLERK OF THE BOARD:
21

22 By: _____
23 Deputy
24

25 (SEAL)
26
27
28

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 7-6-09
DATE
SYNTHIA M. GUNZEL

2
3 RESOLUTION NO. 2009-236

4 ENCOURAGING THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG)

5 TO IMPLEMENT THE RED TEAM RECOMMENDATIONS

6 FOR A TUMF REDUCTION

7
8 WHEREAS, the County of Riverside is a member of the Red Team comprised of public and private
9 sector representatives which was formed to identify and address the housing issues existing in the region;
10 and

11
12 WHEREAS, the County of Riverside is experiencing unprecedented declines in housing prices, new
13 home sales and new home construction; and

14
15 WHEREAS, this decline has delayed planned residential projects and planned commercial and
16 industrial projects which provide local jobs and tax revenues, support balanced growth and help fund public
17 safety and other services that enhance quality of life; and

18
19 WHEREAS, according to the U.S. Department of Labor, the County of Riverside is experiencing
20 double digit unemployment rates and for the month of May had an unemployment rate of 13.1% which
21 was higher than the state's unemployment rate of 11.5%; and

22
23 WHEREAS, these higher unemployment rates further erode the economic recovery of the region;
24 and

25
26 WHEREAS, Economist John Husing, Ph.D. has extensively studied the city and county economies
27 of Southern California and particularly the Inland Empire; and

28

1 WHEREAS, Dr. Husing participated in the Red Team and was commissioned by the private sector
2 to develop a strategy for dealing with the major economic issues facing the region today; and
3

4 WHEREAS, Dr. Husing prepared a report dated May 11, 2009 that recommends jurisdictions
5 reduce fees in order to stimulate the economy and promote housing starts and job growth; and
6

7 WHEREAS, the Red Team concurs with the report and recommendation; and
8

9 WHEREAS, the County of Riverside has temporarily reduced its development impact fees and
10 implemented several economic stimulus measures to promote job and economic growth such as public
11 works projects, summer jobs programs and first time homebuyer incentives; and
12

13 WHEREAS, several cities and school districts have also reduced development fees and
14 implemented local economic recovery strategies; and
15

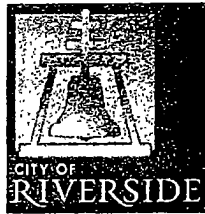
16 WHEREAS, the Western Regional Council of Governments (WRCOG) developed and administers
17 Western Riverside County's Transportation Uniform Mitigation Fee Program (TUMF) and manages the
18 implementation of the regional arterial road network; now, therefore,
19

20 BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED by the Board of Supervisors of
21 the County of Riverside, State of California, in regular session assembled on July 14, 2009, that it hereby
22 requests the Executive Committee of WRCOG reduce TUMF Program fees as outlined in Dr. Husing's
23 May 11, 2009 report.
24
25
26
27
28

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* DATE: 7-6-09
SYNTHIA M. GUNZEL

Appendix A1-B

Riverside Economic Development Red Team Letter, August 24, 2009



August 24, 2009

Mr. Rick Bishop
Executive Director
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor
Riverside, CA 92501

Dear Mr. Bishop:

Last year at this time, business, community and government leaders from Western Riverside County gathered to discuss the worsening economy. Our region was battered by foreclosures, job losses and declining local government revenues. But instead of just waiting and hoping for an economic rebound, we formed the Riverside Economic Development RED TEAM to identify actions that could be taken to spur recovery in the housing sector and protect our quality of life.

The RED TEAM, working with one of the Inland Empire's most respected economists, Dr. John Husing, and the Western Riverside Council of Governments, examined the situation and recommended three goals critical to a recovery:

- Defend communities from the impact of having large numbers of dilapidated or rental properties injected into single family detached neighborhoods.
- Cut off the growing supply of foreclosed homes, so prices can stabilize and the market can return to responding to traditional supply and demand forces.
- Reduce the cost of building new homes so that the new home building industry can put people back to work. Until it does, the serious recession will continue.

We're pleased to report that since the RED TEAM adopted its final recommendations in 2009, progress has been made. Public-private partnerships are investing to purchase, refurbish and sell foreclosed properties to homebuyers. Some lenders are working to try and help residents prevent foreclosure. And many local governments have acted to create jobs and jump-start the economy by deferring and/or reducing construction fees.

Clearly, the RED TEAM has made a difference and it is the direct result of the work of so many dedicated community leaders. But our letter is not simply recognition of progress to date. Now, more than ever, we must stay focused and committed to our respective communities. State budget uncertainty means that we must fight to protect our region. We must stay focused on the three RED TEAM goals and work to make them reality.

Thank you for all that you do to make Riverside County and its cities a better place.

Sincerely,

Ronald O. Loveridge
Mayor
City of Riverside

John Tavaglione
Supervisor, District 2
Riverside County



Appendix A1-C

TUMF Network Detailed Cost Estimate - 50% ADJUSTED

[illegible]

EXHIBIT A1-C.1 TUMF Network Detailed Cost Estimate - 50% ADJUSTED

ACTC Activity Calendar by School

[illegible]

15844

[illegible]

EXHIBIT A1-C.2 - TUMF Regional Transit Cost Estimate - 50% ADJUSTED

AREA PLAN DIST	LEAD AGENCY	PROJECT NAME	LOCATION	UNITS (number/ length in miles)	ADJUSTED TOTAL	ADJ MAX TUMF SHARE
Regional	RTA	Regional Transit Centers	Various locations region wide	11	31,103,000	11,519,000
Regional	RTA	Bus Stop Amenities Upgrade	Various locations region wide	70	945,000	350,000
Northwest/Central	RTA	Central Spine Service Capital	Corona, Riverside, Moreno Valley	24	6,600,000	2,444,000
Northwest/Pass	RTA	SR60 Regional Flyer Capital	SR-60 corridor from SB Co. to Banning	45	12,375,000	4,583,000
Northwest/San Jacinto	RTA	I-215/SR74 Regional Flyer Capital	I-215/SR-74 corridor from Riverside to San Jacinto	37	10,175,000	3,768,000
Northwest/Southwest	RTA	I-15 Regional Flyer Capital	I-15 Corridor from SB Co. to Temecula	49	13,475,000	4,990,000
Regional	RTA	Regional Flyer Vehicle Fleet	Various routes region wide	32	8,800,000	3,259,000
Total					83,473,000	30,913,000

ATTACHMENT "B"
TUMF ORDINANCE
AMENDMENT

ORDINANCE NO. 1479

AN ORDINANCE OF THE CITY OF BANNING AMENDING ORDINANCE NO. 1412 TO INCLUDE NEW EXEMPTIONS FOR NEWLY CONSTRUCTED SPECIALLY ADAPTED HOMES FOR SEVERELY DISABLED VETERANS UNDER THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) PROGRAM

The City Council of Banning “(City)” ordains as follows:

Section 1. Title.

This Ordinance shall be known as Amendment No. 1 to the “Western Riverside County Transportation Uniform Mitigation Fee Program Ordinance of 2009” (“Ordinance”).

Section 2. Findings.

A. The City is a member agency of the Western Riverside Council of Governments (“WRCOG”), a joint powers agency comprised of the County of Riverside, the March Joint Powers Authority, and 17 cities located in Western Riverside County. Acting in concert, the WRCOG Member Agencies developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials in Western Riverside County (the “Regional System”) could be made up in part by a Transportation Uniform Mitigation Fee (“TUMF”) on future residential, commercial and industrial development.

B. WRCOG, upon the recommendation of the WRCOG Executive Committee, now desires to adopt one new exemption under the Western Riverside County Transportation Uniform Mitigation Fee Program Ordinance of 2009. The exemption is for newly constructed, specially adapted homes for severely disabled veterans designed for maximum freedom movement and the ability to live more independently at no cost to qualifying disabled veterans.

C. The City Council finds and determines that the new exemption because of its small number of estimated properties, will not threaten the reasonable and rational relationship between the use of the TUMF and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and non-residential users of the development in which the TUMF will be levied. The City Council has also estimated the cost of the new exemption to be approximately one million dollars to the Regional System and understands that the TUMF fees will not be used to cover the fair share of these exempted properties on the Regional System.

Section 3. Definitions.

The following new definition shall be added to Ordinance No. 1412.

“Disabled Veteran” means any veteran who is retired or is in process of medical retirement from military service who is or was severely injured in a theatre of combat operations,

and has or received a letter of eligibility for the Veterans Administration Specially Adapted Housing (SAH) Grant Program.”

“Non-Profit Organization” means an organization operated exclusively for exempt purposes set forth in section 501(c)(3) of the Internal Revenue Code, and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates. For the purposes of the TUMF Program the non-profit must be a 501(c)(3) charitable organization as defined by the Internal Revenue Service.

Section 4. **Exemption:** Specially Adapted Homes for Severely Disabled Veterans

The following new exemption shall be added to Ordinance No. 1412:

“New single-family homes, constructed by non-profit organizations, specially adapted and designed for maximum freedom of movement and independent living for qualified Disabled Veterans.”

Section 5. **Effect.**

No provisions of this Ordinance shall entitle any person who has already paid the TUMF to receive a refund, credit or reimbursement of such payment because of this new exemption.

Section 6. **Severability.**

If any one or more of the terms, provisions or sections of this Ordinance shall to any extent be judged invalid, unenforceable and/or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 7. **Judicial Review.**

In accordance with State law, any judicial action or proceeding to attack, review, set aside, void or annul this Ordinance shall be commenced within ninety (90) days of the date of adoption of this Ordinance.

Section 8. **Effective Date.**

This Ordinance shall take effect thirty (30) days after its adoption.

Section 9. **Full Force and Effect.**

Except to the extent specifically modified or amended hereunder, all of the terms, covenants, and conditions of Ordinance No. 1412 shall remain in full force and effect between the Parties hereto.

MOVED AND PASSED upon this 27th day of May, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Mayor, City of Banning

ATTEST:

By: _____
City Clerk, City of Banning