



AGENDA

REGULAR MEETING OF THE HEMET CITY COUNCIL

October 27, 2015

6:30 p.m.

**City of Hemet Council Chambers
450 E. Latham Avenue**

www.cityofhemet.org

Please silence all cell phones

**Notice: Members of the Public attending shall comply with the Council's adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum are available from the City Clerk.*

Call to Order

Roll Call

ROLL CALL: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

Closed Session

Notice of Opportunity for Public Comment

Members of the Public may comment upon any identified item on the closed session agenda. Since the Council's deliberation on these items is confidential the City Council and City Staff will not be able to answer or address questions relating to the items other than procedural questions. At the conclusion of the closed session, the City Attorney will report any actions taken by the City Council which the Ralph M. Brown Act required to be publicly reported.

1. Public Employee Appointment
Pursuant to Government Code section 54957
Title: *City Manager*
-

REGULAR SESSION

7:00 p.m.

**City of Hemet City Council Chambers
450 E. Latham Avenue**

Call to Order

Roll Call

ROLL CALL: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

Invocation

Pledge of Allegiance

City Council Business

Notice to the Public

The Consent Calendar contains items which are typically routine in nature and will be enacted by one motion by the Council unless an item is removed for discussion by a member of the public, staff, or Council. If you wish to discuss a Consent Calendar item please come to the microphone and state the number of the item you wish to discuss. Then wait near the lecture. When the Mayor calls your turn give your last name, and address, then begin speaking. You will have three minutes at that time to address the Council.

Consent Calendar

2. **Approval of Minutes** – October 13, 2015
3. **Receive and File** – Warrant Registers
 - a. Warrant registers dated October 1, 2015 in the amount of \$1,860,437.83 and October 7, 2015 in the amount of \$2,621,731.58. Payroll for the period of September 28, 2015 to October 11, 2015 was \$592,571.94.
4. **Receive and File** – Investment Portfolio as of September 2015
5. **Recommendation by Finance** – Transfer of Property to the Successor Agency for Sale
 - a. Adopt a resolution approving the transfer of the property located at 154 South Santa Fe Street to the Successor Agency to the Former Hemet Redevelopment Agency for sale, in accordance with the Successor Agency's Long-Range Property Management Plan. **Resolution Bill No. 15-056**
6. **Recommendation by Community Development** – Zoning Ordinance Amendment 15-010 (Signage for Outdoor Vehicle Sales)
 - a. Adopt an ordinance amending Section 90-1275 (Temporary Signs) of Chapter 90 (Zoning Ordinance) of the Hemet Municipal Code to allow pennants and streamers for outdoor automotive, motorcycle, and marine vehicle sales display areas with issuance of a sign permit as recommended by the Planning Commission. **Ordinance Bill No. 15-048**
7. **Recommendation by Public Works** - Amendment to Solid Waste Management Code Provisions
 - a. Adopt an ordinance amending Chapter 62 (Solid Waste Management) of the Hemet Municipal Code to ensure consistency with Assembly Bill 1826 regarding organic waste recycling. **Ordinance Bill No. 15-055**
8. **Recommendation by Public Works** - Design Professional Services Agreements for On-Call Engineering Services with Engineering Resources of Southern California and Albert A. Webb Associates
 - a. Approve a Design Professional Services Agreement with Engineering Resources of Southern California for on-call engineering services for three-year period commencing on the date of execution by the City Manager in an amount not to

- exceed \$60,000; and
 - b. Approve a Design Professional Services Agreement with Albert A. Webb Associates for on-call engineering services for three-year period commencing on the date of execution by the City Manager in an amount not to exceed \$60,000; and
 - c. Authorize the City Manager to execute the agreements and execute purchase orders necessary to support both agreements.

- 9. **Recommendation by Fire** – Third Amendment to Agreement for Services with CSG Consultants, Inc. for Plan Review, Inspection and Code Services
 - a. Approve the Third Amendment to the Agreement for Services with CSG, Consultants, Inc. for plan review and code services extending the term to June 30, 2016 and increasing the total compensation by \$37,500; and
 - b. Authorize the City Manager to execute the Third Amendment and administer the Agreement on behalf of the City.

- 10. **Recommendation by Engineering** – Traffic and Parking Commission Recommendations
 - a. 1121 West Acacia Avenue – Additional Signage for Traffic Control
Recommendation to install a “Stop Ahead” warning sign and large Double Yellow Arrow Sign at the intersections of Acacia Avenue and Hamilton Avenue and Acacia Avenue and Elk Street.
 - b. Kirby Street at Garland Avenue – Request to install Stop Sign
Recommendation to install two chevron alignment signs for the southbound direction.
 - c. Berkley Street at Soboba Street – Request to install Stop Sign
Recommendation to contact resident at the southeast corner to remove hedges and trim tree within the City’s right-of-way.

Successor Agency Consent Calendar

- 11. **Recommendation by Finance** – Accept the Transfer of Property from the City of Hemet to the Successor Agency to the for Former Hemet Redevelopment Agency
 - a. Adopt a resolution accepting the transfer of the property located at 154 South Santa Fe Street from the City of Hemet in order to sell it, as indicated by the Successor Agency’s Long-Range Property Management Plan.
Resolution Bill No. 15-057

- 12. **Recommendation by Finance** – Purchase Offer for the Acquisition of 154 South Santa Fe Street
 - a. Adopt a resolution recommending that the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency accept a purchase offer from Dr. Jorge Larrondo for the acquisition of 154 South Santa Fe Street for the proposed price of \$5,000. **Resolution Bill No. 15-058**

Communications from the Public

Anyone who wishes to address the Council regarding items not on the agenda may do so at this time. As a courtesy, please complete a Request to Speak Form found at the City Clerk's desk. Submit your completed form to the City Clerk prior to the beginning of the meeting. Presentations are limited to three minutes in consideration of others who are here for agenda items. Please come forward to the lectern when the Mayor calls upon you. When you are recognized, you may proceed with your comments.

****Notice: Members of the Public attending shall comply with the adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum are available from the City Clerk.***

State law prohibits the City Council from taking action or discussing any item not appearing on the agenda except for brief responses to statements made or questions posed by the public. In addition, they may, on their own initiative or in response to questions posed by the public, ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to them at a subsequent meeting. Furthermore, a member of the City Council or the Council itself may take action to direct staff to place a matter of business on a future agenda.

Discussion/Action Item

13. **Quarterly Budget Update – As of September 30, 2015** – Deputy City Manager/Administrative Services Director Hurst
 - a. Receive and file the quarterly budget report.
-

City Council Reports

14. CITY COUNCIL REPORTS AND COMMENTS
 - A. Council Member Milne
 1. Riverside County Habitat Conservation Agency (RCHCA)
 2. Riverside Conservation Authority (RCA)
 3. Disaster Planning Commission
 - B. Council Member Raver
 1. Planning Commission
 2. Traffic and Parking Commission
 3. Riverside Transit Agency (RTA)
 4. Riverside County Transportation Commission (RCTC)
 5. Watermaster Board
 - C. Council Member Youssef
 - D. Mayor Pro Tem Wright
 1. Park Commission
 2. Riverside County Habitat Conservation Agency (RCHCA)
 3. Ramona Bowl Association
 4. League of California Cities
 5. Western Riverside Council of Governments (WRCOG)

- E. Mayor Krupa
 - 1. Riverside Conservation Authority (RCA)
 - 2. Ramona Bowl Association
 - 3. Riverside Transit Agency (RTA)
 - 4. Watermaster Board
 - 5. Library Board
 - 6. League of California Cities
 - 7. Riverside County Transportation Commission (RCTC)
 - 8. Western Riverside Council of Governments (WRCOG)

 - F. Ad-Hoc Committee Reports
 - 1. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)
 - 2. Public Safety Ballot Measure Ad-Hoc Committee (January 27, 2015)
 - 3. Ad-Hoc Committee to Explore Revenue Options (May 26, 2015)
 - 4. Grant Ad-Hoc Committee (June 23, 2015)

 - G. Interim City Manager Thornhill
 - 1. Manager's Reports
 - 2. Veteran's Day Event
-

Continued Closed Session

Notice of Opportunity for Public Comment

Members of the Public may comment upon any identified item on the closed session agenda. Since the Council's deliberation on these items is confidential the City Council and City Staff will not be able to answer or address questions relating to the items other than procedural questions. At the conclusion of the closed session, the City Attorney will report any actions taken by the City Council which the Ralph M. Brown Act required to be publicly reported.

- 15. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: Interim City Manager Thornhill
Employee organization:
Service Employees International Union General Employees

 - 16. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of cases: *Michelle Y. Moore v. City of Hemet and Bryan Anderson, RIC 1507007; and Salvador Gonzaga v. City of Hemet, MCC 1301784*
-

City Attorney Continued Closed Session Report

- 17. Public Employee Appointment
Pursuant to Government Code section 54957
Title: *City Manager*

18. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: Interim City Manager Thornhill
Employee organization:
Service Employees International Union General Employees

 19. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of cases: *Michelle Y. Moore v. City of Hemet and Bryan Anderson, RIC 1507007; and Salvador Gonzaga v. City of Hemet, MCC 1301784*
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Future Agenda Items

If Members of Council have items for consideration at a future City Council meeting, please state the agenda item to provide direction to the City Manager.

Adjournment

Adjourn to Tuesday, November 10, 2015 at 7:00 p.m. for consideration of items placed on that agenda. The next regular meeting will be held December 8, 2015.

Staff reports and other disclosable public records related to open session agenda items are available at the City Clerk's Office or at the public counter located at 445 E. Florida Avenue during normal business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



#2

MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

October 13, 2015

REGULAR SESSION

7:00 p.m.
City of Hemet City Council Chambers
450 E. Latham Avenue

Call to Order

Mayor Krupa called the meeting to order at 7:00 p.m.

Roll Call

PRESENT: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

ABSENT: None

OTHERS PRESENT: Interim City Manager Thornhill, Assistant City Attorney Vega and City Clerk McComas

Invocation

Invocation was given by Kevin Goodwin, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Gary Thornhill

Presentations

1. Proclamation for Border's Cleaners 55th year Anniversary

Mayor Krupa, read and presented Wynn Border's with a proclamation for 55 years of service and volunteerism to the community.

2. City of Hemet Employee Service Awards

Mayor Krupa, presented City employee's with service awards for the following:

10 years:

Greg Holyoak

Billy Koller

Joaquin Ramirez

15 years:

Kristen Jensen

20 years:

Syd Woods

25 years:

Patrick Eggering

Sarah McComas

Mayor Krupa, October 12th at the League of California Cities Golf Tournament, Eric Vail, Tom Jex, Steve Latino and Ben Benoit were awarded "The Most Honest Golfer" award. Mayor Krupa presented it to Steve. Other participants in the tournament were Gary Thornhill and Shawn Nelson.

City Council Business Consent Calendar

3. **Approval of Minutes** – September 22, 2015
4. **Receive and File** – Investment Portfolio as of August 2015
5. **Receive and File** – Warrant Register
 - a. Warrant register dated September 17, 2015 in the amount of \$1,718,951.03. Payroll for the period of August 31, 2015 to September 13, 2015 was \$604,587.79 and September 14, 2015 to September 27, 2015 was \$632,368.35.
6. **Recommendation by Finance** - Amending Hemet Municipal Code Section 2-379
 - a. Adopt an ordinance amending section 2-379 of the Hemet Municipal Code relating to User Fees.
Ordinance No. 1906
7. **Recommendation by Finance** - User Fee Schedule
 - a. Adopt a resolution adopting User Fee Schedule establishing new and/or increased services fees for certain City services provided to person for private benefit. **Resolution No. 4647**
8. **Recommendation by Public Works** – Revenue Adjustment and Supplemental Appropriation in Parks Fund No. 110-4250-2450
 - a. Authorize the Deputy City Manager/Administrative Services Director to record turf replacement reimbursement revenues in the amount of \$64,890 to account No. 110-0790; and
 - b. Authorize the Deputy City Manager/Administrative Services Director to record a one-time supplemental appropriation in the amount of \$52,640 in Account No. 110-4250-2450 (Parks) to establish budget for turf removal project expenses.
9. **Recommendation by Engineering** – First Amendment to Professional Services Agreement with Engineering Resources of Southern California Inc.
 - a. Approve the First Amendment to Professional Services Agreement with Engineering Services of Southern California Inc. of Hemet, California for On-Call Plan Check Services in the amount of \$100,000; and
 - b. Authorize the Interim City Manager to execute said agreement; and
 - c. Authorize the Deputy City Manager/Administrative Services Director to enter a supplemental appropriation of \$100,000 from the Professional/Specialized Services fund for the project.

10. **Recommendation by Public Works** – Rehabilitation of Well #2A located at 475 W. Kimball Avenue City Project No. 5617
 - a. Authorize award of purchase bid to Fain Drilling and Pump of Valley Center, in the amount of \$76,628.35 to perform rehabilitation maintenance work at Well #2A; and
 - b. Authorize the City Manager to enter into a Public Works Maintenance Contract with Fain Drilling and Pump, and execute purchase orders necessary to support the contract; and
 - c. Approve the project costs in the amount of \$95,000.00

11. **Recommendation by Public Works** - First Amendment to Landscape Maintenance Services between the City of Hemet and Marina Landscape, Inc.
 - a. Approve the First Amendment to Agreement for Landscape Maintenance Services with Marina Landscape, Inc., updating the Scope of Services, revising "Extra Work" contract language, and adjusting the "not to exceed" compensation amount to \$1,232,924 (one million, two hundred thirty-two thousand nine hundred twenty-four dollars) for the full three year Agreement term; and
 - b. Authorize the Interim City Manager to execute the First Amendment to Agreement for Landscape Maintenance Services with Marina Landscape, Inc.

12. **Recommendation by Public Works** – Supplemental Appropriations in Water Fund No. 571 for One (1) Accounting Technician II and One (1) Customer Service Representative
 - a. Approve the restatement of one Accounting Technician III position in the Utility Billing Division; and
 - b. Approve the addition of one Customer Service Representative position in Water Division; and
 - c. Authorize the Deputy City Manager/Administrative Services Director to record a supplemental appropriation in Water Fund No. 571 in the amount of \$111,037 (prorated FY 15/16 amount) to support both positions.

13. **Recommendation by Public Works** – Approve Modification of the Water Distribution System Operator I/II Job Description
 - a. Approve modifications to the Water Distribution Systems Operator I/II job description and direct staff to amend the City's Classification Manual.

14. **Recommendation by Public Works** – Proposition 84 Integrated Regional Water Management Program (IRWMP) 2014 Drought Solicitation Implementation Grant Funding.
 - a. Accept the Proposition 84 IRWMP 2014 Drought Solicitation Implementation Grant Funding in the amount of \$215,030; and
 - b. Authorize the Interim City Manager to execute the Proposition IRWMP 2014 Drought Solicitation Implementation Grant Funding Contract between the Santa Ana Watershed Protection Authority and City of Hemet; and
 - c. Authorize the Deputy City Manager/Administrative Services Director to establish an appropriation in Water Fund No. 571 in the amount of the grant award.

15. **Recommendation by IT** - Agreement for Purchase of ESRI Small Government Enterprise Licensing
- a. Approve a Software Licensing Agreement by and between the City of Hemet and Environmental Systems Research Institute (ESRI) for the purchase of a three year ESRS Small Government Enterprise Licensing Agreement; and
 - b. Authorize the Interim City Manager to execute the agreement.

Item Nos. 7, 9, 10, 12 and 14 were removed from the Consent Calendar. **Council Member Youssef moved and Mayor Pro Tem Wright seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 5-0.**

Item No. 7 -

Clint Lorimore, BIA, thanked staff for taking the time to help with concerns expressed by BIA. BIA is in support of staff's recommendation. Mr. Lorimore introduced Michael Garrison, BIA's new Government Affairs Representative.

Council Member Youssef moved and Council Member Milne seconded a motion to approve this item as presented. Motion carried 5-0.

Item No. 9

Council Member Milne, recused herself due to her past employment with Engineering Resources of Southern California.

Council Member Youssef moved and Mayor Pro Tem Wright seconded a motion to approve this item as presented. Motion carried 4-0.

Item No. 10

Kristen Jensen, Public Works Director, requested to amend the recommendation to further clarify that the amount of the project is \$95,000.00. \$76,628.35 is the contract amount for Fain Drilling and Pump of Valley Center.

Mayor Pro Tem Wright, expressed concern that the bid was considerably lower than the other bidders and asked if Fain Drilling has done work for the City in the past.

Ms. Jensen, Fain Drilling has not previously done work for the City. They have been a consistent bidder but until this time has not been the lowest. Research was done to confirm that they are the lowest responsible bidder for this project.

The City Council and staff discussed the process and amount for change orders on City projects.

Mayor Pro Tem Wright moved and Council Member Milne seconded a motion to approve this item as amended. Motion carried 5-0.

Item No. 12

Mayor Pro Tem Wright, confirmed that the two recommended positions are based on the State's mandate.

Ms. Jensen, the Customer Service Representative will be a field person dedicated to enforcement and education. The other position is accounting staff to support the transition to monthly billing. Funding for these positions is included in the approved water rates and paid by the Water Fund. Both the monthly bill and the City's conservation efforts will be ongoing.

Mayor Pro Tem Wright, recommended that temporary employees be considered at this time based on the City's financial situation.

Ms. Jensen, one of the challenges for the Customer Service Representative will be the licensing and certification requirements for the position.

Mayor Krupa, concurred and recommended that the item be amended to require that temporary employees be considered.

Council Member Youssef moved and Council Member Milne seconded a motion to approving this item amending the recommendation to require that temporary employees be hired if possible. Motion carried 5-0.

Item No. 14

Mayor Pro Tem Wright, thanked staff for going after these grants.

Mayor Pro Tem Wright moved and Council Member Youssef seconded a motion to approve this item as presented. Motion carried 5-0.

Communications from the Public

CW Cecchi, Hemet, spoke in opposition to Agenda 20-30 a follow-up to Agenda 21. Mr. Cecchi announced that as of October 28th he will be a Hemet Police Volunteer.

Howard Rosenthal, Hemet, expressed concern with the increase in crime and decrease in safety in the valley. Mr. Rosenthal suggested that the Police Chief report exactly what is happening in Hemet to the City Council monthly, it's not good. Mr. Rosenthal told the City Council about a situation that recently happened to him in the highest real estate area in town. It is not safe to be out at night and this is a concern to the businesses and restaurant owners. Residents want to move. Thanks to AB 109 and Prop 47 we are the recipient of the un-desirables looking for lower rent. Until we are fully staffed and put the pressure on the criminals and homeless it won't get better. We hear at ICSC that the businesses that are here are doing great, but the businesses that aren't yet here are concerned with the conditions.

MSJC's Eagle, flew in to invite the City Council to attend the homecoming event this weekend. Homecoming Game will be Saturday, October 17th at 1:00 p.m.

Public Hearing

16. Zoning Ordinance Amendment 15-010 (Signage for Outdoor Vehicle Sales) – Community Development Director Elliano

- a. Introduce, read by title only and waive further reading on an ordinance amending Section 90-1275 (Temporary Signs) of Chapter 90 (Zoning Ordinance) of the Hemet Municipal Code to allow pennants and streamers for outdoor automotive, motorcycle, and marine vehicle sales display areas with issuance of a sign permit as recommended by the Planning Commission.

Ordinance Bill No. 15-048

Deanna Elliano, Community Development Director, gave the City Council a powerpoint presentation regarding ZOA 15-010 signage for outdoor auto sales. At its July 2, 2015 meeting, the Planning Commission considered a letter request from Family Auto Sales to amend the temporary sign regulations regarding pennants and streamers. The Planning

Commission directed staff to propose an amendment to the temporary sign ordinance permitting the on-going display of pennants and streamers for auto and vehicle sales lots. The public hearing before the Planning Commission was held on September 15, 2015. The Planning Commission recommended approval of ZOA 15-010. Currently, pennants and streamers are only allowed in conjunction with an event that has a valid Temporary Use Permit (TUP) up to a maximum of 15 days. Hemet AutoMall Specific Plan allows streamers, banners, pennants, bunting, etc. for a consecutive 10-day period in any 30 day period without a permit. However, there are no provisions in the municipal code that allow for the use of pennants and streamers for outdoor car sales lots outside the AutoMall. ZOA 15-010 will allow the ongoing use of pennants and streamers for auto sales lots with outdoor displays. A sign permit will be required for number and location. This would be limited to outdoor sales area. Pennants and streamers shall not encroach public right-of-way or areas required for utility or emergency access. The owner will be responsible for maintenance of pennants and streamers, permit can be revoked. Staff researched neighboring cities and found that regulations differ. Pennants and streamers used as industry standard for outdoor display and are already in use at the Auto Mall. Car sales lots are only allowed in C-M, C-2 and D-2 zones by the issuance of a Conditional Use Permit. There are 6 resale car lots in town that are not in the Auto Mall. This limited regulation is proposed to assist businesses. There was no public comment to date on the proposed ordinance. Pictures of the existing resale car lots were displayed. Staff recommends introduction of Ordinance Bill No. 15-048, approving ZOA 15-010.

The City Council and staff discussed the definition of pennants and streamers. The City Council confirmed that this amendment does not include swiffers. Other cities have expiration periods attached to their permits mostly due to the aesthetics. Permits can be revoked the pennants or streamers are torn, ripped, faded, etc. A Chamber of Commerce representative attended the PC meeting but did not speak in favor or opposition.

Mayor Krupa declared the Public Hearing opened at 7:55 p.m.

There were no public comments at this time.

Mayor Krupa declared the Public Hearing closed at 7:55 p.m.

Council Member Milne, this amendment levels the playing field and I hope it helps the 6 effected businesses sell more cars.

Council Member Raver, there are residents that are complaining about Hemet's curb appeal and this will make it worse. Business owners don't clean up their business or store fronts I don't think they will maintain them. I would recommend against this amendment.

Mayor Pro Tem Wright, concurred with Council Member Raver. We are trying to make this town look better. Mayor Por Tem Wright expressed concern that there could be several rows of pennants or streamers. I don't think allowing them will make a difference. They can be permitted for a special event but not all of the time.

Mayor Krupa, Family Auto Sales currently has them and the City has not received a negative comment about the pennants. They do take really good care of their property and because we changed the rules and/or never enforced them they will have to remove their existing pennants.

Ms. Elliano, if adopted, the permit would specify the location and the number of pennants or streamers. The ordinance can be amended to dictate that. Once a permit is issued, staff will do a site inspection to confirm compliance. If this is not approved, Family Auto Sales will be required to remove their pennants.

This ordinance does not affect the businesses located in the auto mall.

Council Member Raver, spoke in opposition and again expressed his concern with the appearance of the pennants and streamers.

Mayor Krupa, feels that the pennants do attract people driving down the street to the businesses. Our businesses are struggling to make it and we have a chance to help them. There have not been any previous complaints about the existing pennants at Family Auto Sales.

Council Member Milne moved and Council Member Youssef seconded a motion to approve this item as presented. Motion carried 3-2. Council Member Raver and Mayor Pro Tem Wright voted No.

Ordinance was read by title only.

Discussion/Action Item

17. **Alternate 911 Response Pilot Study** - Fire Chief Brown

Discussion regarding this item, with possible direction to staff

Fire Chief Brown, gave the City Council a powerpoint presentation on the Alternate 9-1-1 Response Pilot Program in cooperation with AMR. Currently, when you activate the 911 system you receive the closest Paramedic Fire Engine or Squad and a Paramedic staffed Ambulance from American Medical Response. All services come out "Code 3" which means lights and sirens and may come from a great distance. Resources are released or kept as deemed fit by the First Paramedic team on-scene. Depending on the type of call you may receive an additional Fire Engine resulting in possibly 8 medical responders for one patient. Emergency Responders are highly trained in driving "Code 3" but it still comes with inherent dangers. Traveling even at posted speed limits is the most dangerous thing we do. Other drivers may panic and pull in front of us and stop, and other drivers may pull in front of other cars creating a hazard to the other drivers as well as us. Some pieces of apparatus, fire engine or squad are pulled off other calls to respond. If the resources are misused for non-emergent calls, they cannot be utilized for true emergencies. Residents are encouraged to call 911 for the following: chest pain of any kind; unresponsive or cardiac arrest; abnormal altered mental status; seizure/convulsions that do not subside; severe difficulty breathing; severe bleeding not controlled; and not breathing. Determine that the person met the criteria for a 911 emergency response. Valuable resources can be tied up and not available if 911 is used for the wrong reason. Skilled Nursing Facilities can present a different challenge for Emergency Responders. We need to reduce the call load (impact) for the Fire Department when only transportation is needed. Hemet Fire/EMS response to over 15,000 calls for service each year. The Department is considered an All-Risk Fire Department, responding to a wide variety of emergency calls, Emergency Medical (EMS), Fires, Traffic Accidents, Rescues, calls for services. EMS calls for service account for nearly 10,000 calls annually, of which 25-30% are considered non-emergent in nature. This represents an opportunity to develop an alternate strategy with a focus on getting patients in this category the right care, as well as reducing the "impact" of these call types on our 911 system. Reducing this impact will result in returning capacity back to HFD to handle more acute calls. The primary objectives for this pilot program are: identify challenges faced at Skilled Nursing Facilities for nurses, AMR and HFD; clarify the use of the 911 system to selected end-users; define each agencies role in the 911 system; and develop alternatives for patient transport. Non-emergent transport calls are: chronic conditions; patient request; abnormal labs; headache

with normal vitals; controlled bleeding; simple extremity pain; wound care; doctor request/appointment; and nausea/vomiting no blood. There are 16 skilled nursing/care facilities in the City of Hemet. These facilities generated nearly 900 calls for service thru the 911 system (June 2014-June 2015). The Pilot program will place focus on providing an alternative for these facilities to access for non-emergent calls. The Pilot program goal is to reduce the operational impact on non-emergent calls for service, thus increasing HFD availability to be available for true 911 emergencies such as heart attacks, traffic accidents etc. This program will have no cost, no impact to the budget, just a more efficient way of addressing our resource needs. Chief Brown distributed a quick overview of the program.

Jack Hanson, Riverside County Central County Operations Manager for AMR, this is not a new concept and will work for the concerns addressed. We have been discussing ways to reduce the number of calls for Hemet Fire to skilled nursing facilities that have RN's at the facility. The facilities need to start the triage with their RN's. We think this can be accomplished with education. Not all of these patients need a 911 response. The response includes too much staff and equipment most of the time. The Pilot program will include three facilities that have RN's on staff and have a high call volume for non-emergent services. The facility will contact AMR directly. Non-emergent calls will be responded to with just a paramedic/ambulance. If necessary, additional equipment will be requested. That will take the necessity to have a tiered 911/call screening system for now. There are a couple of similar start-up programs in the County.

Council Member Youssef, thanked both Chief Brown and Mr. Hanson. The call volume to these facilities has been a concern for a long time. Council Member Youssef asked how this program will impact the City's dispatchers.

Fire Chief Brown, currently the call would via the 911 directly to the PD dispatch, at which time Fire and AMR would be dispatched out. Under this program with calls will go directly to AMR for call screening and only calls needing more resources will be forwarded to dispatch. We are educating staff at skilled care facilities and our facilities. All calls where a first responder was not dispatched but requested after arrival will go through an audit by Art Durbin to determine why. The goal is to improve our system within our budget and increase efficiency.

Council Member Youssef, asked if the audit will include the facility or just the City's response.

Fire Chief Brown, we've been working with the senior staff from Manor Care, Chateau Battiste and Devonshire to educate the providers if they do not call the correct number. The audit will be reviewing AMR's response and our response in each case for errors and ways to improve. This will be a six month study beginning November 1. We hope to have an optimistic report for you in May 2016.

Council Member Youssef, asked if there is a penalty for the facility and or staff if the process is not followed.

Fire Chief Brown, this Pilot program will provide us with a platform for other analogies. After the skilled nursing facilities we might consider physician offices and urgent care facilities including one located in Hemet Valley Hospital's parking lot that we respond to. There is an opportunity to identify additional facilities that we can apply this to in the future. We are hoping to approach this in a way to affect a positive outcome.

Council Member Youssef, the concept is great. Council Member Youssef asked who the financially responsible party in when AMR or the Fire Department responds to a call at a for profit facility.

Mr. Hansen, in most situations it is the patient that is responsible.

Council Member Youssef, expressed concern that there is no incentive for the for-profit facility to use the process and call the 7 digit number instead of 911.

Fire Chief Brown, confirmed that the City does have a fee structure in place, however, the facilities are willing to participate in the Pilot program and I believe this is the best approach. The City Council and staff discussed the current call volume and anticipated reduction.

The City Council gave direction to staff to move forward with the pilot program

18. **Updated 5-year Projection** – Deputy City Manager/Administrative Services Director Hurst

a. Receive and File the Updated 5-Year Projection

Gary Thornhill, Interim City Manager, this is a momentous time for Hemet. The City is in a good fiscal situation. In April, when I started I thought we had a \$2.9 million shortfall. Then it got worse soon we were over \$5 million upside down. I started looking at places where we could make a significant difference in the budget. The City would have been facing bankruptcy in a couple of years without significant impacts to staff. We aggressively targeted retiree medical and encouraged retirees to move off Aetna MC and TC plans that would have been subject to the Cadillac Tax under Obamacare. We now have an opportunity to pull ourselves out of this. Mr. Thornhill thanked Shawn Nelson for digging in and helping us and both Chiefs for their participation. Jessica Hurst and Shawn Nelson did the bulk of the work on the 5 year projections. The City Council will feel good about where this City will be in 5 years.

Jessica Hurst, Deputy City Manager/Administrative Services Director, gave the City Council a powerpoint presented on the FY 2016 – 2020 5-Year Projection. A graph was displayed that showed the City's revenue and expenditure projection from FY13 to FY20. In FY13 the sale of the Refuse Division and the close-out of RDA increased the City's revenues. without them revenues would have been \$34 million and would have resulted in a \$3 million deficit. In FY15 the final close-out of the refuse fund increased revenues, otherwise revenues would have been \$37.4 million and the deficit would have been \$1.9 million. The City's expenditures continue to outpace revenues until FY20 but not at the current rate. Fund balance projection shows the City will maintain more than its 20% reserve through FY2020. Former projections saw depletion of reserves by 2018. The City's previous five-year plan assumed no changes to expenditures and didn't account for actual revenues collected in FY15. The proposed savings are over \$34 million using the previous five-year plan as a baseline.

The 5-Year Projections has been a team approach focused on creating a planning document for future development of annual budgets and capital improvement plans. The objectives are to gain fiscal stability and maintain current service levels. The team looked at reducing costs as the most reasonable approach giving the City more control over expenditures. Actual revenues collected in FY15 were used to develop conservative yet realistic projection of revenues. The recession saw a 25% drop in the City's largest tax bases, sales and property taxes. We expect to see a return to pre-recession levels of sales tax receipts by 2017. Property taxes will take longer but should return to pre-recession levels by 2025. The loss of RDA meant over \$2 million in additional costs to the General Fund to continue economic development and housing programs to fulfill mandates. The City was hit with rising health care costs with increases of over 20% for some plans. The Affordable Care Act brought about some cost increases and the Cadillac Tax penalty was on the horizon. The City Council agreed to stop retiree medical programs in 1998 and negotiated contribution caps for active

employees. Recently the City Council approved an incentive program to move retirees from the highest costing plans that would be subject to the penalty. With the loss of revenue and increasing costs the City would have depleted its General Fund by 2018. We began the 5-year projections with known information and no changes. Revenue estimates were based on the most current information, FY15 revenues were up slightly over projections. Expenditure estimates were developed by focusing on controlling costs. Some costs, such as PERS and medical plan increases are outside of the City's control. An evaluation of every line item throughout departmental budgets was completed. Major areas of change in the 5-year projection include retiree medical and update revenue estimates. The assumptions are based on available information. The assumptions include steady but rising revenues. Modest growth factors were used for sales tax and property tax increases and were based on recent receipts and property transaction data. Development activity is increasing as the City continues to pull out of the recession. Staff will continue to identify new and expanding sources of revenue, especially grants. Most of the efforts were focused on the expenditures. Thanks for the help and understanding of the retirees, the costs of retiree medical plans are expected to save the City over \$13 million through FY20. Savings will be achieved by the consolidation of the Assistant City Manager and Economic Development Director position. Staff will continue to maximize use of grants and other funding sources for CIP's. Currently, workers compensation premiums are holding steady. The 5-year projections assume no changes in staff, staff salaries or benefits. Significant increase in PERS is included in the assumptions. All departments continue to look at ways to reduce costs or offset costs through alternative funding sources. Based on the 5-year projections the City will reduce its deficit by \$34.1 million through the next 5 years as compared to the "do nothing" budget. The City will maintain a reserve of at least 20% through the next 5 years closing out FY2020 with a nearly 30% reserve of \$11,890,862.00. The great news is we see the City achieving fiscal stability and a balanced budget by FY2020.

Mr. Thornhill, we have been very conservative in our projections, cautiously optimistic. The budgets for the next 5-years will be bare bones and status quo. I would highly recommend that the City Council adheres to this 5-year plan. We are hoping for higher increase in revenues. We are on the path to prosperity. Shawn Nelson feels that this has been one of the most rewarding things that he has worked on.

Council Member Youssef, complimented Gary Thornhill. You took this assignment in a flurry of City Manager's and we appreciate that. Past City Manager's didn't have the drive to see this through.

Mr. Thornhill, we aren't done. We'll continue to look for more ways to find savings.

Council Member Raver, complimented Mr. Thornhill for pulling together a great team to accomplish this task.

Council Member Milne, Mr. Thornhill and Ms. Hurst explained this to the City Council Members one at a time to help us understand. City Councils have taken credit for things they shouldn't and this is one of them. Council Member Milne thanked the staff and the retirees that work with us. Lori VanArsdale, thank you for stepping up and being a shining example.

19. **Amendment to Solid Waste Management Code Provisions** – Public Works Director Jensen

- a. Introduce, read by title only and waive further reading an ordinance amending Chapter 62 (Solid Waste Management) of the Hemet Municipal Code to ensure consistency with Assembly Bill 1826 regarding organic waste recycling.

Ordinance Bill No. 15-055

Kristen Jensen, Public Works Director, this ordinance will amend Chapter 62 to include the language necessary to allow participation in the CR&R's organic waste processor. In addition the ordinance adds and amends definitions to be consistent with AB 1826.

Council Member Youssef moved and Council Member Milne seconded a motion to approve this item as presented. Motion carried 5-0.

Ordinance was read by title only.

City Council Reports

20. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Milne

1. Riverside County Habitat Conservation Agency (RCHCA)
2. Riverside Conservation Authority (RCA)
3. Disaster Planning Commission

Council Member Milne attended the Border's Committee meeting. The Committee discussed ways to make trade easier between California and Mexico.

Council Member Milne and her family worked at the Ramona Bowl on Saturday painting benches as part of an LDS Youth Service Project.

B. Council Member Raver

1. Planning Commission
2. Traffic and Parking Commission

Council Member Raver complimented the Commission and Mr. Latino, very smooth and productive meeting.

3. Riverside Transit Agency (RTA)
4. Riverside County Transportation Commission (RCTC)
5. Watermaster Board

C. Council Member Youssef

D. Mayor Pro Tem Wright

1. Park Commission
2. Riverside County Habitat Conservation Agency (RCHCA)
3. Ramona Bowl Association
4. League of California Cities

Attended the Annual Conference in San Jose. Great workshops including digital economic development, fire, e-commerce and even one on skate board parks.

5. Western Riverside Council of Governments (WRCOG)

WRCOG's meeting included a presented by SCAG on the Regional Transportation Plan.

Downtown Specific Plan Steering Committee meeting which will be broken into sub-committees and Mayor Pro Tem Wright will sit on the Parks Sub-Committee.

Mayor Pro Tem Wright attended the Hemet Fire Department Open House, the Hemet West Open House and the Hemet Public Library Book Sale.

E. Mayor Krupa

1. Riverside Conservation Authority (RCA)
2. Ramona Bowl Association
3. Riverside Transit Agency (RTA)
4. Watermaster Board
5. Library Board
6. League of California Cities

“Boo at the Bowl”, October 29, 30 and 31 from 6 to 9 p.m.

Attended the Annual Conference in San Jose. The main subject in the fire workshops is the changes in service deliveries for Fire/EMS and the struggles that communities are dealing with for affordable service levels. Attended a police workshop on body cameras that discussed the challenges agencies are facing.

Mayor Krupa was re-elected to the League’s Executive Board for Riverside County Division

7. Riverside County Transportation Commission (RCTC)
8. Western Riverside Council of Governments (WRCOG)

A well attended Town Hall meeting was conducted at Four Seasons, great dialogue and interaction.

F. Ad-Hoc Committee Reports

1. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)

Met last week, the Committee is coming up with great ideas for activities near the lake. Mayor Krupa will provide a more detailed report on October 27th.

2. Public Safety Ballot Measure Ad-Hoc Committee (January 27, 2015)
3. Ad-Hoc Committee to Explore Revenue Options (May 26, 2015)
4. Grant Ad-Hoc Committee (June 23, 2015)

Council Member Milne will continue to watch for strings attached to grants, but thanks to Mayor Pro Tem Wright’s knowledge and staff’s help we are getting some great leads.

G. Interim City Manager Thornhill

1. Manager’s Reports
2. Follow-up on previous Communications from the Public

Gary Thornhill, Interim City Manager, gave the City Council an update on the Mr. Nagel’s concern with the street lights in Sierra Dawn. The lighting is very old and has been damaged. The current lighting can’t be repaired. Staff is looking into some funding for a retrofit system through WRCOG. There is no quick fix and it will be costly.

3. Downtown Specific Plan Workshop

Gary Thornhill, Interim City Manager, reminded the Council and the public about the workshop tomorrow night at the Library. The Consultant is requesting an opportunity to meet with the City Council to get direction. Staff is recommending a special meeting or an early workstudy soon to keep the project moving forward.

The City Council gave direction to staff to schedule a special meeting.

The City Council recessed to the Housing Authority Meeting at 9:22 p.m.

Reconvened at 9:30 p.m.

Erica Vega, Assistant City Attorney, the listed Closed Session item is not necessary at this time. Staff does not have an update on Item No. 21.

Closed Session

21. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
-

City Attorney Closed Session Report

22. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
-

Future Agenda Items

Riverside County Flood Control's presentation regarding preparation for the impacts of El Nino

Great Shake-Out Drill is Thursday, October 15th at 10:15 a.m.

Adjournment

The City Council meeting adjourned at 9:37 p.m. to Tuesday, October 27, 2015 at 7:00 p.m.



Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Jessica A. Hurst, DCM/Administrative Services
Gary Thornhill, Interim City Manager

DATE: October 27, 2015

RE: Warrant Register

The City of Hemet's warrant registers dated October 1, 2015 in the amount of \$1,860,437.83 and October 7, 2015 in the amount of \$2,621,731.58 are currently posted on the City's website in the Finance Department section, under *Financial Information*. Payroll for the period of September 28, 2015 to October 11, 2015 was \$592,571.94.

CLAIMS VOUCHER APPROVAL

"I, Jessica A. Hurst, Deputy City Manager/Administrative Services, do hereby certify that to the best of my knowledge and ability, that the warrant register posted on the city's website is a true and correct list of warrants for bills submitted to the City of Hemet, and the payroll register through the dates listed above, and that there will be sufficient monies in the respective funds for their payment."

Respectfully submitted,

Jessica A. Hurst
Deputy City Manager/Administrative Services

JAH: mh

CITY OF HEMET
VOUCHER/WARRANT REGISTER
FOR ALL PERIODS

CLAIMS VOUCHER APPROVAL

I, JESSICA A. HURST, DO HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND ABILITY, THAT THE WR POSTED ON THE CITY WEBSITE IS A TRUE AND CORRECT LIST OF WARRANTS FOR BILLS SUBMITTED TO THE CITY OF HEMET THROUGH THE DATES LISTED ABOVE, AND THAT THERE WILL BE SUFFICIENT MONIES IN THE RESPECTIVE FUNDS FOR THEIR PAYMENT.

JESSICA A. HURST
DCM/ADMINISTRATIVE SERVICES DIRECTOR



AGENDA

4

Staff Report

TO: Honorable Mayor and members of the City Council
FROM: Judith L. Oltman, City Treasurer
DATE: October 27, 2015
RE: Investment Portfolio as of September 2015

RECOMMENDED ACTION:

Receive and file.

ANALYSIS:

The summary statement of activity and balances of the Treasurer's Investment Portfolio for the month of September 2015 is forwarded herewith for your review.

On 9/14/15 we purchased six year Port of Morrow revenue bonds #5033 for the reserve fund for \$740,000 with a yield of 2.50%. On 9/14/15 we purchased a 5 year/3 month call FHLMC #2283 for \$1,000,000 at 2.05%. On 9/15/15 we purchased 6.5 year Indiana Bond Bank Revenue Bonds #5032 for the reserve fund for \$990,000 with a yield of 2.5%. On 9/25/15 we purchased a 10 year/5 year step up HSBC Bank NCD #3189 for the reserve fund for \$248,000 at 2.5%. On 9/30/15 we purchased a 5 year/3 month call FHLMC #2284 for \$500,000 at 2.0%.

On 9/2/15 our Lincoln Muni Bond #5012 matured; on 9/18/15 our FNMA #2278 was called; on 9/28/15 our Safra National Bank NCD #3164 matured; and on 9/30/15 our FHLB #2282 was called.

I hereby certify that this report accurately reflects all City of Hemet pooled investments and is in conformity with the investment policy of the City of Hemet and that a copy hereof is on file in the office of the City Clerk. Our third party custodial bank, Bank of New York Mellon, has provided us with the monthly market values.

It is further certified that there is sufficient liquidity to meet the next six months' estimated day-to-day operational expenses.

Respectfully Submitted,


Judith L. Oltman
City Treasurer

attachment

CITY OF HEMET, CALIFORNIA
Monthly Report of Investment Activities

SEPTEMBER 2015

INVESTMENT CLASSIFICATIONS	MONTHLY ACTIVITY	CONSOLIDATED BALANCE
PORTFOLIO AS OF JULY	63,768,227.85	
CERTIFICATES OF DEPOSIT		
Placed this month		
Matured this month	-249,000.00	
Balance		7,180,000.00
LOCAL AGENCY INVESTMENT FUND: City of Hemet		
Deposits		
Withdrawals		
Balance		25,278,517.97
BANK OF NEW YORK MELLON Custodial Acct.		
Deposits	3,285,309.28	
Withdrawals	-3,542,074.27	
Balance		2,151,869.46
CITIBANK: Money Market Account		
Deposits	41,319.51	
Withdrawals	-200,000.00	
Balance		94,671.42
CITIBANK: Money Market Account 3		
Deposits	992,249.43	
Withdrawals	-3,250,000.00	
Balance		2,472,384.15
MUNICIPAL BONDS & NOTES		
Deposits		
Withdrawals	-1,000,000.00	
Balance		14,668,588.80
GOVERNMENT AGENCIES		
2252 1.0% FNMA 8/21/17		500,000.00
2253 1.0% FNMA 11/29/17		500,000.00
2254 1.05 FHLB 1/17/18		500,000.00
2255 1.15% FNMA 2/28/18		500,000.00
2256 1.10% FHLMC 4/17/18		500,000.00
2257 1.15% FHLMC 4/25/18		500,000.00
2258 1.0% FNMA 4/30/18		500,000.00
2259 .75% FNMA 4/30/18		500,000.00
2260 1.0% FNMA 5/21/18		500,000.00
2261 1.17% FHLB 6/13/18		500,000.00
2278 2.0% FNMA 9/18/19	-1,000,000.00	
2281 2.0% FNMA 2/27/20		1,000,000.00
2282 2.15% FHLV 6/30/20	-1,000,000.00	
PORTFOLIO BALANCE AS OF SEPT. 2015	57,846,031.80	57,846,031.80

INTEREST EARNINGS	15-16 FISCAL YEAR-TO-DATE	
EARNINGS BALANCE AS SEPTEMBER 1, 2015		-24,464.13
CERTIFICATES OF DEPOSIT INT.	6,435.91	
OTHER GOVERNMENT SECURITIES	29,925.00	
CITIBANK MONEY MARKET ACCOUNT		
CITIBANK MONEY MARKET ACCOUNT 3		
BANK OF NY MONEY MARKET ACCT.	15.78	
LOCAL AGENCY INVESTMENT FUNDS		
CITY OF HEMET INTEREST		
MONTHLY EARNINGS TOTAL	36,376.69	36,376.69
MEMO ONLY:		
MERCHANT BANK CHG.	-3,865.18	
LIBRARY CREDIT CARD FEES	-41.90	
ARMORED CAR	-451.24	
ASSET SEIZURE FUNDS		
Charges as of Sept. 1, 2015	-10,372.74	
	-14,731.06	
15-16 YEAR-TO-DATE INTEREST EARNINGS		11,912.56

**CITY OF HEMET
Portfolio Management
Portfolio Summary
September 30, 2015**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	1,484,000.00	1,494,478.35	1,484,000.00	2.43	1,584	356	1.365	1.384
Managed Pool Accounts	25,278,517.97	25,278,517.97	25,278,517.97	41.45	1	1	0.316	0.320
Passbook/Checking Accounts	4,718,925.03	4,718,925.03	4,718,925.03	7.74	1	1	0.236	0.239
Local Government Bonds	11,403,583.80	11,610,462.32	11,537,419.09	18.92	2,340	2,071	2.440	2.474
Medium Term Notes	5,000,000.00	5,045,885.00	5,021,973.21	8.23	1,792	1,234	1.843	1.868
Federal Agency Issues - Coupon	6,500,000.00	6,499,095.00	6,000,277.78	9.84	1,826	1,010	1.186	1.203
Negotiable CDs	6,944,000.00	7,084,372.42	6,944,000.00	11.39	1,872	1,356	1.773	1.798
Investments	61,329,026.80	61,731,736.09	60,985,113.08	100.00%	1,022	756	1.114	1.130
Cash and Accrued Interest								
Accrued Interest at Purchase		21,085.12	21,085.12					
Subtotal		21,085.12	21,085.12					
Total Cash and Investments	61,329,026.80	61,752,821.21	61,006,198.20		1,022	756	1.114	1.130

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	57,618.91	169,786.57
Average Daily Balance	62,073,292.46	64,744,608.07
Effective Rate of Return	1.13%	1.04%

JUDITH L. OLTMAN, TREASURER

Reporting period 09/01/2015-09/30/2015

Run Date: 10/20/2015 - 15:22

Portfolio COFH
AP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.5

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
September 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
06740KEX1	3146	BARCLAYS BANK DE		12/07/2011	247,000.00	250,144.04	247,000.00	1.900		1.902	433	12/07/2016
SYS3174	3174	BANK OF HEMET		09/06/2013	494,000.00	494,000.00	494,000.00	0.500		0.500	341	09/06/2016
SYS3144	3144	BANK OF THE WEST		10/12/2011	249,000.00	251,336.47	249,000.00	1.750		1.750	377	10/12/2016
SYS3136	3136	CIT BANK		08/24/2011	247,000.00	249,490.20	247,000.00	1.800		1.800	328	08/24/2016
36160WVR7	3132	G.E. Capital Financial, Inc.		08/12/2011	247,000.00	249,507.64	247,000.00	1.850		1.850	316	08/12/2016
Subtotal and Average			1,484,000.00		1,484,000.00	1,494,478.35	1,484,000.00			1.384	356	
Managed Pool Accounts												
SYS1001	1001	LOCAL AGENCY INVESTMENT FUND			25,278,517.97	25,278,517.97	25,278,517.97	0.320		0.320	1	
Subtotal and Average			25,278,517.97		25,278,517.97	25,278,517.97	25,278,517.97			0.320	1	
Passbook/Checking Accounts												
SYS5009	5009	BANK OF NEW YORK			2,151,869.46	2,151,869.46	2,151,869.46			0.000	1	
SYS5001	5001	Citibank			94,671.42	94,671.42	94,671.42	0.150		0.150	1	
SYS5004	5004	CITIBANK3			2,472,384.15	2,472,384.15	2,472,384.15	0.450		0.450	1	
Subtotal and Average			5,447,770.13		4,718,925.03	4,718,925.03	4,718,925.03			0.239	1	
Local Government Bonds												
044555PA2	5025	ASHLAND OREGON		10/23/2014	1,145,000.00	1,143,202.35	1,133,604.74	2.800	AA	2.926	3,227	08/01/2024
048339SE6	5018	ATLANTIC CITY N.J.		06/02/2014	465,000.00	477,578.25	483,858.30	3.953	A	2.075	913	04/01/2018
048339SF3	5019	ATLANTIC CITY N.J.		06/02/2014	440,000.00	453,415.60	463,017.64	4.253	A	2.651	1,278	04/01/2019
04780NHS9	5030	ATLANTA DEVELOPMENT AUTHORITY		07/09/2015	825,000.00	833,390.25	829,329.87	2.518	A	2.400	1,735	07/01/2020
13124MAH8	5026	CALLEGUAS CA MUNI WATER DIST		10/23/2014	745,000.00	761,539.00	758,255.80	2.601	AAA	2.201	1,735	07/01/2020
156792GW7	5027	CERRITOS COMMUNITY COLLEGE DIS		12/01/2014	1,260,000.00	1,296,981.00	1,271,589.81	2.971	AA	2.821	2,496	08/01/2022
404476HH9	5022	HABERSHAM COUNTY HOSPITAL AUTH		08/13/2014	795,000.00	808,801.20	799,277.57	2.250		2.080	1,219	02/01/2019
45462TEJ7	5032	INDIANA BOND BANK		09/15/2015	990,000.00	999,038.70	1,002,003.07	2.710	AA	2.501	2,298	01/15/2022
650035J66	5015	NEW YORK STATE REVENUE BONDS		03/25/2014	500,000.00	507,500.00	499,179.93	2.000		2.050	1,261	03/15/2019
64971WMC1	5031	NEW YORK CITY TRANSITIONA; FIN		08/03/2015	1,000,000.00	1,020,820.00	1,017,409.53	2.840		2.560	2,496	08/01/2022
73474TAG5	5033	PORT OF MORROW ORE TRANS FAC		09/14/2015	740,000.00	753,438.40	749,587.88	2.737		2.500	2,162	09/01/2021
767169DY8	5028	RIO RANCHO		02/12/2015	498,583.80	499,017.57	501,494.19	3.200	A	3.122	3,166	06/01/2024
786134VB9	5029	SACRAMENTO CO. SANITATION DIST		03/02/2015	1,000,000.00	1,031,410.00	1,020,326.39	2.810	AA	2.451	2,253	12/01/2021
13063CKL3	5017	STATE OF CALIFORNIA		05/16/2014	1,000,000.00	1,024,330.00	1,008,484.37	2.250		2.000	1,308	05/01/2019
Subtotal and Average			10,779,325.11		11,403,583.80	11,610,462.32	11,537,419.09			2.474	2,071	

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
September 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
037833AQ3	5016	APPLE		05/15/2014	1,000,000.00	1,015,480.00	1,004,772.19	2.100		1.960	1,313	05/06/2019
084670BL1	5023	BERKSHIRE HATHAWAY		08/14/2014	1,000,000.00	1,017,490.00	1,003,660.49	2.100		2.000	1,413	08/14/2019
14912L6B2	5020	CATERPILLAR		06/09/2014	1,000,000.00	1,001,620.00	1,002,796.18	2.100	A	2.020	1,347	06/09/2019
36962G7G3	5014	G.E. CAPITAL CORP.		03/14/2014	500,000.00	508,535.00	507,048.14	2.300		1.932	1,201	01/14/2019
68389XAN5	5010	ORACLE		03/28/2013	500,000.00	500,840.00	500,495.46	1.200		1.150	745	10/15/2017
90261XHE5	5024	UBS AG STAMFORD CT		08/18/2014	500,000.00	502,145.00	501,543.47	2.375		2.290	1,413	08/14/2019
94974BFG0	5013	WELLS FARGO		04/26/2013	500,000.00	499,775.00	501,657.28	1.500		1.350	838	01/16/2018
Subtotal and Average			5,022,236.66		5,000,000.00	5,045,885.00	5,021,973.21			1.868	1,234	
Federal Agency Issues - Coupon												
313381MV4	2254	FEDERAL HOME LOAN BANK		01/17/2013	500,000.00	499,775.00	500,000.00	1.050		1.050	839	01/17/2018
313383GY1	2261	FEDERAL HOME LOAN BANK		06/13/2013	500,000.00	499,460.00	500,000.00	1.170		1.170	986	06/13/2018
3134G37C8	2256	FEDERAL HOME LOAN MTG ASSOC.		04/17/2013	500,000.00	500,200.00	500,000.00	1.100		1.100	929	04/17/2018
3134G37H7	2257	FEDERAL HOME LOAN MTG ASSOC.		04/25/2013	500,000.00	500,300.00	500,000.00	1.150		1.150	937	04/25/2018
3134G7UY5	2284	FEDERAL HOME LOAN MTG ASSOC.		09/30/2015	500,000.00	501,335.00	277.78	2.000		2.000	0	09/30/2020
3135G0NF6	2252	FEDERAL NTL MORTGAGE ASSOC.		08/21/2012	500,000.00	500,230.00	500,000.00	1.000		1.000	690	08/21/2017
3136G04U2	2253	FEDERAL NTL MORTGAGE ASSOC.		11/29/2012	500,000.00	500,130.00	500,000.00	1.000		1.000	790	11/29/2017
3135G0UN1	2255	FEDERAL NTL MORTGAGE ASSOC.		02/28/2013	500,000.00	499,815.00	500,000.00	1.150		1.146	881	02/28/2018
3135G0WN9	2258	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	496,720.00	500,000.00	1.000		1.000	942	04/30/2018
3136G1LB3	2259	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	500,240.00	500,000.00	0.875		0.815	942	04/30/2018
3135G0XG3	2260	FEDERAL NTL MORTGAGE ASSOC.		05/21/2013	500,000.00	498,350.00	500,000.00	1.000		1.000	963	05/21/2018
3135G0C84	2281	FEDERAL NTL MORTGAGE ASSOC.		02/27/2015	1,000,000.00	1,002,540.00	1,000,000.00	2.000	AA	2.000	1,610	02/27/2020
Subtotal and Average			7,533,342.59		6,500,000.00	6,499,095.00	6,000,277.78			1.203	1,010	
Negotiable CDs												
02437PAG8	3173	AMERICAN NATIONAL BANK DALLAS		08/12/2013	248,000.00	250,225.90	248,000.00	1.250		1.251	681	08/12/2017
02587DWK0	3184	AMERICAN EXPRESS CENTURIAN		11/28/2014	247,000.00	256,914.23	247,000.00	2.200		2.012	1,520	11/29/2019
02587CAW0	3180	AMERICAN EXPRESS FSB		08/21/2014	247,000.00	255,823.58	247,000.00	2.100		2.101	1,420	08/21/2019
05580ACF9	3187	BMW BANK OF NORTH AMERICA, UT		07/17/2015	247,000.00	257,456.25	247,000.00	2.250		2.253	1,751	07/17/2020
0606247B3	3176	BANK OF BARODA N.Y.		11/12/2013	248,000.00	256,771.34	248,000.00	2.150		2.151	1,139	11/13/2018
856284-E3-4	3147	BANK OF INDIA NEW YORK		04/27/2012	248,000.00	252,692.80	248,000.00	2.000		2.001	574	04/27/2017
14042E4P2	3186	CAPITAL ONE NA		07/15/2015	247,000.00	258,023.78	247,000.00	2.300		2.303	1,749	07/15/2020
140420SQ4	3185	CAPITAL ONE		06/24/2015	247,000.00	256,938.22	247,000.00	2.200		2.230	1,728	06/24/2020
17037TDV6	3169	CHOICE FINANCIAL GROUP		11/20/2012	248,000.00	249,193.38	248,000.00	1.000		1.001	781	11/20/2017
20033AAG13	3168	COMENITY CAPITAL BANK		10/25/2012	249,000.00	250,519.47	249,000.00	1.050		1.065	755	10/25/2017

Portfolio COFH
AP

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
September 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Negotiable CDs												
20451PEN2	3175	COMPASS BANK		09/25/2013	247,000.00	254,549.23	247,000.00	2.000		2.001	1,090	09/25/2018
20786AAL9	3177	CONNECTONE BANK N.J.		12/13/2013	247,000.00	253,478.76	247,000.00	1.850		1.851	1,169	12/13/2018
2546714X5	3181	DISCOVER BANK		08/27/2014	247,000.00	255,860.24	247,000.00	2.100		2.101	1,426	08/27/2019
29976DNY2	3166	EVERBANK		10/15/2012	248,000.00	249,238.02	248,000.00	1.000		1.001	746	10/16/2017
3134G7SY8	2283	FEDERAL HOME LOAN MTG ASSOC.		09/14/2015	1,000,000.00	1,002,150.00	1,000,000.00	2.050		2.050	1,810	09/14/2020
373128DS3	3167	GEORGIA BANK AND TRUST		10/17/2012	249,000.00	250,246.94	249,000.00	1.000		1.014	747	10/17/2017
38148JBU4	3183	GOLDMAN SACHS		11/05/2014	247,000.00	256,263.34	247,000.00	2.150		2.151	1,493	11/02/2019
40434AZA0	3189	HSBC BANK USA NA		09/25/2015	248,000.00	246,782.32	248,000.00	2.500		2.502	3,647	09/25/2025
48124JSB5	3171	JP MORGAN CHASE BANK		01/28/2013	248,000.00	248,196.02	248,000.00	0.850		0.850	850	01/28/2018
628779FJ4	3178	NBT BANK		06/06/2014	247,000.00	252,989.11	247,000.00	1.800		1.801	1,344	06/06/2019
700654AV8	3182	PARK NATIONAL BANK		09/26/2014	249,000.00	257,790.12	249,000.00	2.100		2.099	1,272	03/26/2019
74267GUQ8	3179	PRIVATEBANK & TRUST CO.		07/21/2014	247,000.00	254,880.88	247,000.00	2.000		2.001	1,390	07/22/2019
87165FJG0	3188	SYNCHRONY BANK		07/31/2015	247,000.00	257,738.45	247,000.00	2.300		2.303	1,765	07/31/2020
909557CL2	3170	UNITED BANKERS' BANK		11/29/2012	249,000.00	250,757.02	249,000.00	1.100		1.115	790	11/29/2017
94986TMF1	3172	WELLS FARGO		03/28/2013	248,000.00	248,893.02	248,000.00	1.000		1.000	909	03/28/2018
Subtotal and Average			6,528,100.00		6,944,000.00	7,084,372.42	6,944,000.00			1.798	1,356	
Total and Average			62,073,292.46		61,329,026.80	61,731,736.09	60,985,113.08			1.130	756	

**CITY OF HEMET
Portfolio Management
Portfolio Details - Cash
September 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		21,085.12	21,085.12				0
				Subtotal		21,085.12	21,085.12				
		Total Cash and Investments	62,073,292.46		61,329,026.80	61,752,821.21	61,006,198.20			1.130	756

CITY OF HEMET
Received Interest
Sorted by Issuer
Received September 1, 2015 - September 30, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
BANK OF HEMET	SYS3174	3174	BCD	494,000.00	0.500	09/06/2015	09/09/2015	209.78	209.78	-
								Subtotal	209.78	209.78
BANK OF THE WEST	SYS3144	3144	BCD	249,000.00	1.750	09/12/2015	09/14/2015	370.09	370.09	-
								Subtotal	370.09	370.09
COMENITY CAPITAL BANK	20033AAG13	3168	NC2	249,000.00	1.050	09/25/2015	09/28/2015	225.14	222.05	-3.09
								Subtotal	225.14	222.05
COMPASS BANK	20451PEN2	3175	NC2	247,000.00	2.000	09/25/2015	09/28/2015	2,490.30	2,490.30	-
								Subtotal	2,490.30	2,490.30
CONNECTONE BANK N.J.	20786AAL9	3177	NC2	247,000.00	1.850	09/13/2015	09/15/2015	388.09	388.09	-
								Subtotal	388.09	388.09
FEDERAL NTL MORTGAGE ASSOC.	3136G25Q6	2278	FAC	0.00	2.000	09/18/2015	09/21/2015	10,000.00	10,000.00	-
								Subtotal	10,000.00	10,000.00
GEORGIA BANK AND TRUST	373128DS3	3167	NC2	249,000.00	1.000	09/17/2015	09/21/2015	214.42	211.48	-2.94
								Subtotal	214.42	211.48
CITY OF LINCOLN	533020DC4	5012	NCB	0.00	3.000	09/02/2015	09/03/2015	14,925.00	14,925.00	-
								Subtotal	14,925.00	14,925.00
NEW YORK STATE REVENUE BONDS	650035J66	5015	NCB	500,000.00	2.000	09/15/2015	09/16/2015	5,000.00	5,000.00	-
								Subtotal	5,000.00	5,000.00
PARK NATIONAL BANK	700654AV8	3182	NC2	249,000.00	2.100	09/26/2015	09/29/2015	444.11	444.11	-
								Subtotal	444.11	444.11
SAFRA NATIONAL BANK	7865803L2	3164	NC2	0.00	0.800	09/28/2015	09/29/2015	5.53	5.46	-0.07
	7865803L2	3164	NC2	0.00	0.800	09/27/2015	09/29/2015	996.00	1,004.19	8.19

CITY OF HEMET
 Received Interest
 Received September 1, 2015 - September 30, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest				
						Date Due	Date Received	Amount Due	Amount Received	Variance
							Subtotal	1,001.53	1,009.65	
UNITED BANKERS' BANK	909557CL2	3170	NC2	249,000.00	1.100	08/28/2015	09/01/2015	235.86	232.63	-3.23
	909557CL2	3170	NC2	249,000.00	1.100	09/28/2015	09/30/2015	235.86	232.63	-3.23
							Subtotal	471.72	465.26	
WELLS FARGO	94986TMF1	3172	NC2	248,000.00	1.000	09/28/2015	09/29/2015	625.10	625.10	
								Subtotal	625.10	625.10
						Total		36,365.28	36,360.91	
						Total Cash Overpayment		8.19		
						Total Cash Shortfall		-12.56		

CITY OF HEMET
 Received Interest
 Received September 1, 2015 - September 30, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest	
						Date Received	Amount Received
Cash Accounts							
BANK OF NEW YORK	SYS5009	5009	PA1	1,651,869.46		09/03/2015	15.78
						Subtotal	15.78
Citibank	SYS5001	5001	PA1	89,286.19	0.150	09/30/2015	10.23
						Subtotal	10.23
CITIBANK3	SYS5004	5004	PA1	2,340,509.30	0.450	09/30/2015	381.67
						Subtotal	381.67
						Total	407.68

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

October 05, 2015

CITY OF HEMET

CITY TREASURER
 445 EAST FLORIDA AVENUE
 HEMET, CA 92543-4209

PMIA Average Monthly Yields

Account Number:

98-33-362

Tran Type Definitions

September 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	25,278,517.97
Total Withdrawal:	0.00	Ending Balance:	25,278,517.97

CITY OF HEMET
Cash W/Fiscal Agent: US BANK
2006 Refunding Bonds Series Heartland Project

Date	Activity	103852000 788-1508 Bond	103852001 788-1508 Prepayment	103852002 Special	103852003 788-1510 Escrow	103852004 788-1502 Cost of	103852005 788-1506 Reserve	TOTAL
7/31/2015	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	776,803.08	302,771.66	(0.00)	0.00	0.00	274,141.25
8/31/2015	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	776,803.08	302,771.66	(0.00)	0.00	0.00	274,141.25
9/30/2015	Interest							0.00
	Transfer funds							0.00
	City of Hemet	(543,371.25)						(543,371.25)
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	233,431.83	302,771.66	(0.00)	0.00	0.00	274,141.25
	First American Treasury Oblig		810,344.74					
	US Treasury Notes, various							not carried on COH books
	Misc Assets		1.00					
			810,345.74					
	Cash held by FA, net of Escrow acct		810,344.74					
			0.00					

COPY

HEMET SUCCESSOR AGENCY to
 Former Hemet Redevelopment Project Area
 Cash W/Fiscal Agent: MUFG Union Bank N A
 2014 Hemet Refunding Project TAB Series A

City of Hemet as SA to former Hemet RDA

Date	Activity	Riverside County Public Financing - Fiscal Agent					City of Hemet as SA to former Hemet RDA							TOTAL All Accounts
		6712115701 Revenue Fund	6712115702 Interest Fund	6712115703 Principal Fund	6712115704 Bond Purchase Fund	6712115705 Cost of Issuance Fund	6712115800 SA to Hemet RDA 2014 TTE	499-0005-4100 6712115801 Debt Service Fund	499-0005-4200 6712115802 Interest Account	499-1508 6712115803 Principal Account	499-1508 6712115804 Reserve Account	499-1508 6712115805 Redemption Account	499-1510 6712115808 Refunding Fund	
7/31/2015	Interest							0.16						0.16
	Interfund transfer							(0.16)	0.16					0.00
	Debt Service from SA Hemet Redev													0.00
	Debt Service Pmt													0.00
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	11,109,999.00	0.00	0.00	7,899.19	0.16	0.00	0.00	0.00	0.00	7,899.35
8/31/2015	Interest							0.59						1.18
	Interfund transfer							(797,822.47)	217,821.88	580,000.00				(0.59)
	Debt Service from SA Hemet Redev													0.00
	Debt Service Pmt							789,922.69						789,922.69
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	11,109,999.00	0.00	0.00	0.00	217,822.83	580,000.00	0.00	0.00	0.00	797,822.63
9/30/2015	Interest								18.41					18.41
	Interfund transfer								6.73	(6.73)				0.00
	Debt Service from SA Hemet Redev				(580,000.00)				(217,821.88)	(579,993.27)				(797,815.15)
	Debt Service Pmt													0.00
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	10,529,999.00	0.00	0.00	0.00	25.89	0.00	0.00	0.00	0.00	25.89

Morgan Stanley Prime Instl 10,529,999.00
 Municipal Bond Insurance - BAM 1.00 not carried on City books
 Held by Fiscal Agent 10,530,000.00

0.00

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Staff Report

To: Honorable Mayor and Members of the City Council

From: Gary Thornhill, Interim City Manager *GT*

Date: October 27, 2015

Subject: Resolution Bill No. 15-056 Approving the Transfer of Property to the Successor Agency for Sale

RECOMMENDATION:

That the City Council consider the proposed Resolution No. 15-056 approving the transfer of the property located at 154 South Santa Fe Street ("Property") to the Successor Agency to the Former Hemet Redevelopment Agency ("Successor Agency") for sale, in accordance with the Successor Agency's Long-Range Property Management Plan ("LRPMP").

BACKGROUND:

Pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Hemet ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Former Hemet Redevelopment Agency ("Former Agency") during the wind-down process of the Former Agency's activities.

At the time of redevelopment dissolution, the Property was one of 14 properties purchased and technically owned by the Former Agency, all of which were included in the LRPMP. The LRPMP was prepared pursuant to the Dissolution Act and described the proposed plans for disposition of the properties owned by the Former Agency. The LRPMP, which was approved by the State Department of Finance ("DOF") on February 21, 2014, indicated that the Successor Agency would sell the Property.

The Successor Agency is now interested in selling the Property. However, according to a Chicago Title Company Preliminary Report generated on September 2, 2015, the City is the owner of record for the Property. In order to correct the Property title and sell the Property, the City must formally transfer the Property to the Successor Agency.

DISCUSSION / ANALYSIS:

Transferring the Property is important because the Successor Agency must sell the property, as indicated in its LRPMP. However, the Successor Agency must be the owner of record on the Property before the Property can be sold. Transferring the Property is necessary for the Successor Agency to assume ownership of the Property, at which point it can be freely sold, thus complying with the LRPMP.

FISCAL IMPACT:

Transferring the Property will not have a fiscal impact, as it will simply be the transfer of property from the City to the Successor Agency. The true fiscal impact will come when the property is sold. At the time of the Property sale, the City will receive a portion of the sale proceeds (after real estate commission is paid) equal to its share of the 1% general property tax levy, estimated at approximately 18% or \$900.

ALTERNATIVE(S):

The City may choose not to transfer the Property to the Successor Agency at this meeting. However, it is important to note that State law requires the sale of this property pursuant to the LRPMP. Chicago Title has indicated that the Property cannot be sold until the Successor Agency is the owner of record on title.

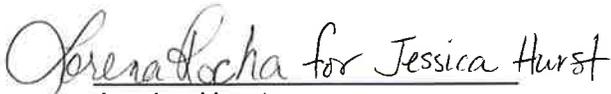
CONCLUSION:

That the City consider the proposed Resolution Bill No.15 – 056 approving the transfer of 154 South Santa Fe Street to the Successor Agency to the Former Hemet Redevelopment Agency for sale, in accordance with the Successor Agency’s Long-Range Property Management Plan.

ATTACHMENT(S):

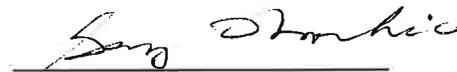
1. Draft Resolution Bill No. 15-056

Recommended by:



Jessica Hurst
Deputy City Manager/
Administrative Services Director
Respectfully submitted,

Approved By:



Gary Thornhill
Interim City Manager

Gary Thornhill
Interim City Manager



CITY OF HEMET

Hemet, California

RESOLUTION BILL NO. 15-056

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA
APPROVING THE TRANSFER OF PROPERTY FROM THE CITY OF HEMET TO THE
SUCCESSOR AGENCY TO THE FORMER HEMET REDEVELOPMENT AGENCY**

WHEREAS, Pursuant to Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the Former Hemet Redevelopment Agency ("Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and the City of Hemet ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as the Successor Agency to the Former Hemet Redevelopment Agency ("Successor Agency"); and

WHEREAS, certain property located in the City of Hemet, identified as 154 South Santa Fe Street ("Property") was purchased by the Former Agency and is considered a Former Agency asset which was transferred to the Successor Agency upon dissolution; and

WHEREAS, according to a Chicago Title Company Preliminary Report generated on September 2, 2015, the City is the owner of record for the Property; and

WHEREAS, the City wishes to formally transfer the Property to the Successor Agency to establish the Successor Agency as the correct owner of record for the Property; and

1 **WHEREAS**, the Successor Agency prepared a Long-Range Property Management Plan
2 (“LRPMP”), as required by the California Health and Safety Code; and

3
4 **WHEREAS**, the State Department of Finance (“DOF”) approved the LRPMP on
5 February 21, 204; and

6
7 **WHEREAS**, the LRPMP indicated that the Successor Agency would sell the Property;
8 and

9
10 **WHEREAS**, in order to sell the Property, the Successor Agency must be established as
11 the owner of record for the Property.

12
13 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the City
14 Council of the City of Hemet, in regular session assembled October 27, 2015 as follows:

- 15 1. That the City Council hereby finds and declares that the above recitals are true and
16 correct.
- 17 2. The City hereby transfers the property identified as 154 South Santa Fe Street to the
18 Successor Agency to the Former Hemet Redevelopment Agency.
- 19 3. The Successor Agency Executive Director is authorized and directed to execute all
20 documents necessary for the transfer of the property upon approval by the Oversight
21 Board of the Successor Agency to the Former Hemet Redevelopment Agency and the
22 State Department of Finance.

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PASSED, APPROVED, AND ADOPTED this 27th day of October, 2015.

Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

1 State of California)
2 County of Riverside)
3 City of Hemet)

4

5 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing
6 Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was
7 passed at a regular meeting of the City Council on the 27th day of October, 2015 by the
8 following vote:

9

10 AYES:

11 NOES:

12 ABSTAIN:

13 ABSENT:

14

15

Sarah McComas, City Clerk

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**CITY OF HEMET
Hemet, California
ORDINANCE BILL NO. 15-048**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET CALIFORNIA AMENDING SECTION 90-1275 (TEMPORARY SIGNS) OF CHAPTER 90 (ZONING ORDINANCE) OF THE HEMET MUNICIPAL CODE TO UPDATE THE REGULATIONS ON TEMPORARY SIGNAGE FOR OUTDOOR VEHICLE SALES.

WHEREAS, the proposed amendment clarifies and refines the standards and regulations for the use of temporary pennants and streamers for automotive, motorcycle, and marine vehicle sales outdoor display areas; and

WHEREAS, the proposed amendment conforms with General Plan Implementation Program LU-P-10 (Business Assistance & Retention Program), to improve and clarify government requirements and the development process to provide business assistance, retention and attraction; and

WHEREAS, approval of this zoning ordinance amendment will not detrimentally affect the health, safety, or welfare of residents of the City of Hemet; and

WHEREAS, on September 15 2015, the Planning Commission was presented with a draft of this Ordinance Bill No. 15-048 and, after conducting a duly noticed public hearing, voted to recommend that the City Council approve Ordinance Bill No. 15-048; and

WHEREAS, on October 13, 2015, the City Council considered the Ordinance, the Planning Commission's findings, and the record of information regarding ZOA 15-010 at a duly noticed public hearing, at which time interested persons had an opportunity to provide testimony on this matter.

1 NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES HEREBY
2 ORDAIN AS FOLLOWS:

3 **SECTION 1: AMENDMENT OF SECTION 90-1275 (Temporary Signs)**

4 Section 90-1275 (c) (3) (Temporary Signs) of Chapter 90 (Zoning) of the Hemet
5 Municipal Code is amended as shown below hereto, to allow temporary pennants and
6 streamers for outdoor automotive, motorcycle, and marine vehicle sales outdoor display
7 areas with issuance of a sign permit:
8

9 **Article XXXVI (Sign Generally)**

10 **Sec. 90-1275. – Temporary Signs**

11 **(C) Commercial, Industrial, and Manufacturing Zones.**

12 **(3) Pennants.**

- 13 a. Permit. The director may issue a permit for one or more pennants or small
14 balloons, subject to such conditions as the director may prescribe, to advertise
15 a special event.
- 16 b. Time limitation. Pennants permitted in connection with a grand opening shall
17 be displayed for no more than 14 consecutive days. Pennants permitted in
18 connection with a special event may be displayed for the duration of the
19 temporary use permit issued in connection with the special event.
- 20 c. Outdoor auto sales: The use of temporary pennants and streamers may be
21 permitted in excess of the 14 days for outdoor display area at automotive,
22 motorcycle, and marine vehicle sales lots, pursuant to the following
23 requirements:
- 24 1. The automotive sales use is the primary use and business on the
25 property and must have a valid business license and certificate of
26 occupancy issued by the city.
 - 27 2. The Director shall approve the location and number of pennants and
28 streamers for the outdoor display area. The permit shall be valid for the
duration of the outdoor display, unless the permit is revoked due to non-
compliance with the provisions of this section.

- 1 3. Pennants and streamers shall have a minimum 14 foot clearance from
2 ground level.
- 3 4. The location of the pennants and streamers shall be limited to the
4 outdoor display area.
- 5 5. Pennants and streamers shall not encroach into the public right-of-way
6 or any areas that are required for utility or emergency access. Pennants
7 and streamers shall not be attached public light standards.
- 8 6. Pennants and streamers shall be kept in good condition at all times.
9 Pennants or streamers shall not be worn, torn, ripped, or faded. The
10 business owner is responsible for maintenance and appearance of the
11 pennants and display area at all times.

12 **SECTION 2: CEQA FINDINGS.**

13 The City has analyzed this proposed project and has determined that it is exempt
14 from the California Environmental Quality Act (“CEQA”) under section 15061(b)(3) of the
15 CEQA Guidelines, which provides that CEQA only applies to projects that have the
16 potential for causing a significant effect on the environment. The proposed text changes
17 do not relate to any physical project and will not result in any physical change to the
18 environment. Therefore, it can be seen with certainty that there is no possibility that this
19 Ordinance may have a significant adverse effect on the environment, and therefore the
20 adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the
21 CEQA Guidelines.

22 **SECTION 3: SEVERABILITY.**

23 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this
24 Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any
25 court of competent jurisdiction, such decision shall not affect the validity of the remaining
26 portions of this Ordinance. The City Council hereby declares that it would have adopted
27 this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or
28 portion thereof, irrespective of the fact that any one or more sections, subsections,
 subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or

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unconstitutional.

SECTION 4: EFFECTIVE DATE.

This Ordinance shall take effect thirty (30) days from its passage by the City Council of the City of Hemet.

SECTION 5: PUBLICATION.

The City Clerk is authorized and directed to cause this Ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation and circulated within the City in accordance with Government Code Section 36933(a) or, to cause this Ordinance to be published in the manner required by law using the alternative summary and pasting procedure authorized under Government Code Section 39633(c).

INTRODUCED at the regular meeting of Hemet City Council on the 13th day of October, 2015.

APPROVED AND ADOPTED this 27th day of October, 2015.

Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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State of California)
County of Riverside)
City of Hemet)

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Ordinance was introduced and first read on the 13th day of October, 2015, and had its second reading at the regular meeting of the Hemet City Council on the 27th day of October, 2015, and was passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sarah McComas, City Cle

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**CITY OF HEMET
Hemet, California
ORDINANCE BILL NO. 15-055**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF HEMET, CALIFORNIA, AMENDING CHAPTER 62
(SOLID WASTE MANAGEMENT) OF THE HEMET
MUNICIPAL CODE**

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WHEREAS, AB 1826, effective January 1, 2015, amended the California Integrated Waste Management Act of 1989 to include provisions regarding organic waste recycling; and

WHEREAS, AB 1826 requires local agencies to implement an organic waste recycling program beginning on January 1, 2016; and

WHEREAS, on September 8, 2015, the City Council approved the Third Amendment to Exclusive Franchise Agreement for Comprehensive Refuse Services with CR&R Incorporated, which requires CR&R to adopt implement an organic waste recycling program for the City; and

WHEREAS, the City Council desires to amend Chapter 62 of the Code to make it consistent with the requirements of AB 1826 and the Exclusive Franchise Agreement for Comprehensive Refuse Services, as amended.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES
HEREBY ORDAIN AS FOLLOWS:**

SECTION 1: AMEND CHAPTER 62. Chapter 62 of the Hemet Municipal Code is hereby amended as shown in Exhibit "A" to this Ordinance.

SECTION 2: SEVERABILITY.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any

1 court of competent jurisdiction, such decision shall not affect the validity of the
2 remaining portions of this Ordinance. The City Council hereby declares that it would
3 have adopted this Ordinance, and each section, subsection, subdivision, sentence,
4 clause, phrase, or portion thereof, irrespective of the fact that any one or more sections,
5 subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared
6 invalid or unconstitutional.

7 **SECTION 3: EFFECTIVE DATE.**

8 This Ordinance shall take effect thirty (30) days from its passage by the City
9 Council of the City of Hemet.

10 **SECTION 4: PUBLICATION.**

11 The City Clerk is authorized and directed to cause this Ordinance to be published within
12 fifteen (15) days after its passage in a newspaper of general circulation and circulated
13 within the City in accordance with Government Code Section 36933(a) or, to cause this
14 Ordinance to be published in the manner required by law using the alternative summary
15 and pasting procedure authorized under Government Code Section 39633(c).

16 **INTRODUCED** at the regular meeting of Hemet City Council on October 13, 2015.

17 **APPROVED AND ADOPTED** this 27th day of October 2015.

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Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

1 State of California)
2 County of Riverside)
3 City of Hemet)

4 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the
5 foregoing Ordinance was introduced and first read on the 13th day of October 2015, and
6 had its second reading at the regular meeting of the Hemet City Council on the 27th day
7 of October, 2015, and was passed by the following vote:

8 **AYES:**

9 **NOES:**

10 **ABSTAIN:**

11 **ABSENT:**

12
13 Sarah McComas, City Clerk

EXHIBIT "A"

Chapter 62 - SOLID WASTE MANAGEMENT

ARTICLE I. - GENERAL PROVISIONS

Sec. 62-1. - Purpose; findings.

- (a) Purpose. The management and proper disposal of solid waste is a matter of great importance to the city, its citizens, visitors, property owners and businesses. The city finds that the public health, safety, and well-being require the generation, accumulation, handling, collection, transportation, conversion and disposal of solid waste be controlled and regulated by the city through the comprehensive system provided in this chapter. This chapter is intended to ensure solid waste handling services are readily available, adhere to uniform standards, and are reliable, clean, and efficient. The city has a strong interest in reducing the harboring and breeding of rodents and insects, reducing the spread of disease, and preventing pollution and other unsightly degradation of the environment, which can occur with the improper handling of solid waste and the excess accumulation of solid waste.
- (b) Findings. The city finds and declares:
- (1) Article XI, § 7 of the California Constitution authorizes cities to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws.
 - (2) The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989, ("AB 939" or the "Act") (codified at Public Resources Code Section 40000 et seq.) established a solid waste management process that requires cities and other local jurisdictions to adopt and implement plans to reduce the amount of solid waste generated within their jurisdiction and to maximize reuse and recycling.
 - (3) AB 939 states that the frequency of solid waste collection, the means of solid waste collection and transportation, levels of services, charges and fees for services, and the nature, location and extent of providing solid waste services, are matters of local concern.
 - (4) AB 939 expressly allows cities to provide solid waste services to its residents by its own forces or by authorizing a private entity to provide those services.
 - (5) This chapter implements Article XI, § 7 of the California Constitution and AB 939 in the City of Hemet and protects public health and safety by authorizing the city council to provide solid waste handling service itself or to award one or more franchises to private entities.

Sec. 62-2. - Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section. Words and phrases not defined in this chapter shall have the meaning ascribed by section 1-2 of this Code, and if not defined therein, then as applicable, as in: Division 30, Part 1, Chapter 2 of the Public Resources Code, Section 40100 et seq.; the regulations of the California Department of

Resources Recycling and Recovery; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq. and the regulations implementing RCRA, as they may be amended.

AB 939 or Act means the California Integrated Waste Management Act of 1989, codified in part at Public Resources Code Section 40000 et seq. as it may be amended, and as implemented by the regulations of CalRecycle or its successor agency.

Account holder means the persons or entities whose name(s) are on a solid waste franchisee's account for a premises.

Bin means a container, typically between one and eight cubic yards, provided by a solid waste franchisee for the collection of solid waste, recyclable material and green organic waste.

Bulky waste means solid waste that would not typically fit within a container, including, but not limited to, large and small household appliances, furniture, carpets, mattresses, automobile tires, and oversized green waste such as tree trunks and large branches if no larger than two feet in diameter and four feet in length, and similar large items discarded from a residential premises. "Bulky waste" does not include consumer electronics, such as televisions, radios, computers, monitors, and the like, which are regarded as universal waste, the disposal of which is governed by regulation of the department of toxic substances control.

CalRecycle means the California Department of Resources Recycling and Recovery.

Cart means a container, typically between 64 and 96 gallons, provided by a solid waste franchisee for the collection of solid waste, recyclable material, and green-organic waste.

City means the City of Hemet, California, a municipal corporation, and all of the territory lying within the municipal boundaries of the city as presently existing and all geographic areas which may be added or annexed to the city.

City manager means a person having that title in the employ of the City of Hemet, or the city manager's designated representative.

City premises means city-owned or operated premises where solid waste is generated or accumulated.

Commercial premises means all premises in the city, other than single-family residential premises, multifamily residential premises, and city premises, where solid waste is generated or accumulated. The term "commercial premises" includes, but is not limited to, stores; offices; restaurants; boarding houses; hotels; motels; industrial and manufacturing, processing, or assembly shops or plants; hospitals, clinics, convalescent centers and nursing homes.

Construction and demolition material or C&D material means discarded building materials, "inert wastes" as defined in Public Resources Code Section 41821.3(a)(1) (e.g., rock, concrete, brick, sand, soil ceramics and cured asphalt), recyclable construction and demolition materials, packaging, plaster, drywall, rubble resulting from

construction, remodeling, repair and demolition operations, but does not include asbestos-containing materials or hazardous waste.

Container means any cart, bin or debris box.

Debris box means a container, typically ten to 40 cubic yards, provided by a solid waste franchisee for the collection of solid waste that is normally tipped loaded onto a motor vehicle and transported to an appropriate facility.

Green waste means leaves, grass clippings, brush, branches and other forms of organic materials generated from maintenance or alteration of landscapes or gardens, including, but not limited to, tree trimmings, prunings, brush and weeds and incidental pieces of scrap lumber. "Green waste" includes unadorned holiday trees (except such trees which are frosted, flocked or which contain tinsel or metal), but does not include stumps or branches exceeding four inches in diameter or four feet in length, or palm fronds, or yucca, which are not suitable for composting. "~~green~~ Green waste" is not a recyclable material. "Green waste" is solid waste if it is not segregated from solid waste and is discarded into the solid waste stream.

Hazardous waste means any waste materials or mixture of wastes defined as a "hazardous substance" or "hazardous waste" pursuant to the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Carpenter-Presley-Tanner Hazardous Substance Account Act ("HSAA"), codified at California Health and Safety Code Section 25300 et seq.; the Electronic Waste Recycling Act of 2003, codified at California Health and Safety Code Section 25214.9 et seq. and California Public Resources Code Section 41516 et seq., laws governing universal waste, all future amendments to any of them, or as defined by CalRecycle or the department of toxic substances control, or by their respective successor agencies. If there is a conflict in the definitions employed by two or more agencies having jurisdiction over hazardous or solid waste, the term "hazardous waste" shall be construed to have the broader, more encompassing definition.

Household hazardous waste means dry cell household batteries; cell phones and PDAs; used motor oil; used oil filters when contained in a sealed plastic bag; cooking oil; compact fluorescent light bulbs contained in a sealed plastic bag; cleaning products; pesticides; herbicides; insecticides; painting supplies; automotive products; solvents; stripes; and adhesives; auto batteries; and universal waste generated at a single-family or multifamily residential premises.

Multifamily residential premises means a multifamily residential building with five or more units, including but not limited to mobile home parks, apartments, condominiums and town homes, which utilize bins for the temporary accumulation and collection of solid waste. The city will have sole authority to resolve any ambiguity as to whether a particular premises is a single-family residential premises or a multifamily residential premises.

Organic waste means food waste, green waste, nonhazardous wood waste, compostables and soiled paper waste that is mixed in with food waste.

Owner means the persons or entities listed on the last equalized assessment roll as the owner of a lot or parcel of real property within the city.

Person in charge means an owner, account holder, tenant, occupant or other person or persons responsible for the day to day operation of a premises.

Premises means place where any person resides, or any business is carried on or conducted, or any other place upon which solid waste is generated or accumulated.

Recyclable material means materials that can be reused or processed into a form suitable for reuse through reprocessing or remanufacture, consistent with the requirements of AB 939, including but not limited to the following:

- (1) Aluminum cans;
- (2) Glass jars and bottles;
- (3) Steel, bi-metal and tin cans, and empty aerosol containers;
- (4) Plastic soft drink bottles and other Type #1 containers (PET-polyethylene terephthalate);
- (5) Plastic milk and water jugs and other Type #2 containers (HDPE-high density polyethylene);
- (6) Type #3 plastic containers (V- polyvinyl chloride);
- (7) Type #4 plastic containers (LDPE-low density polyethylene);
- (8) Type #5 plastic containers (PP- polypropylene);
- (9) Type #6 plastic containers (PS- polystyrene);
- (10) Type #7 plastic containers (other and commingled);
- (11) Film plastic, e.g., plastic bags, shrink wrap; plastic toys and tools, and other plastic materials (if readily identifiable as being recyclable);
- (12) PVC pipe;
- (13) Juice boxes and milk cartons (aseptic packaging, Tetra Pak®, and waxed cardboard);
- (14) Detergent containers;
- (15) Scrap metal, coat hangers and metal foil;
- (16) Newspapers and telephone books;
- (17) Mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books, cereal boxes, envelopes, paper shopping bags and non-metallic wrapping paper);
- (18) Corrugated cardboard and chipboard;
- (19) Chlorofluorocarbons (contained in bulky waste set out for collection under Section 7.1 and Section 8.B);

(20) Tires (if set out for collection as bulky waste to be collected under Section 7.I. and Section 8.B.); and

(21) Wood (incidental scrap pieces if set out for collection with green waste, and larger quantities if set out for collection with bulky waste).

Recyclable materials are solid waste if they are not segregated from solid waste and are discarded into the solid waste stream.

Self haul means the transportation of solid waste, recyclable materials or green waste directly to a licensed or permitted landfill or other licensed or permitted disposal facility by a person who has received a self haul permit.

Self haul permit means a permit issued by the city to self haul under section 62-31 of this chapter.

Single-family residential premises means a detached single-family dwelling unit, or each unit in a multifamily residential building with up to four units, such as a duplex, triplex, or quadraplex, a townhouse, a condominium, or a mobile home of permanent character placed in a permanent location, which utilizes one or more carts, or a bin, for the temporary accumulation and collection of solid waste. The city manager will have sole authority to resolve any ambiguity as to whether a particular premises is a single-family residential premises or a multifamily residential premises.

Solid waste means and includes any materials defined as "solid waste" by California Public Resources Code Section 40191, and specifically includes, without limitation, recyclable materials and green waste that has been disposed into the solid waste stream, bulky waste, construction and demolition materials, and all other materials, excluding universal waste and hazardous waste, that are discarded into the solid waste stream, or collected in exchange for a fee or any other consideration, regardless of form or amount.

Solid waste enterprise means any individual, partnership, joint venture, unincorporated private organization, or private corporation, which is regularly engaged in the business of providing solid waste handling services.

Solid waste franchisee means a solid waste enterprise that has been granted the right and privilege by the city, or by operation of law, to perform one or more solid waste handling services within the city or a portion thereof.

Solid waste handling services means the collection, transportation, processing, recycling, composting, conversion, retention and disposal of solid waste, green-organic waste, recyclable materials, construction and demolition materials, bulky waste, household hazardous waste, and/or universal waste.

Spilled means deposited, released, spilled, leaked, pumped, poured, emitted, emptied, discharged, injected, dumped or disposed into the environment, or which otherwise has come to be located outside an authorized container. The term "disposed into the environment" shall include, but is not limited to, the abandonment or discarding of barrels, bags, cans and other closed receptacles containing solid waste, recyclable materials or green waste.

Universal waste means and includes, but is not limited to, Universal Waste Electronic Devices" or "UWEDs" (i.e., electronic devices subject to the regulation of the department of toxic substances control, 23 CCR § 66273.1 et seq.), and other universal wastes, including, but not limited to, non-empty aerosol cans, fluorescent tubes, high intensity discharge lamps, sodium vapor lamps, and any other lamp exhibiting a characteristic of a hazardous waste, batteries (rechargeable nickel-cadmium batteries, silver button batteries, mercury batteries, small sealed lead acid batteries [burglar alarm and emergency light batteries], alkaline batteries, carbon-zinc batteries and any other batteries which exhibit the characteristic of a hazardous waste), mercury thermometers, and mercury-containing switches.

Secs. 62-3—62-9. - Reserved.

ARTICLE II. - SOLID WASTE MANAGEMENT

Sec. 62-10. - Disposal of solid waste required.

In order to protect the public health, safety and well-being, and to prevent the spread of vectors, the owner or other person in charge of a premises shall make arrangements with the city or the city's solid waste franchisee for solid waste handling services.

All premises in the city must have the applicable solid waste handling services required under this chapter.

A violation of this section is a misdemeanor and punishable as provided in article VII of this chapter.

Sec. 62-11. - Containers—Use, placement for collection, storage.

(a) Use. Every person in charge of a premises shall:

(1) Keep on the premises a sufficient number of containers that will hold all solid waste, recyclable materials, and green-organic waste that accumulates on the premises each week without spilling, leaking, or emitting odors.

(2) Deposit or cause to be deposited all solid waste, recyclable materials and green-organic waste generated or accumulated on the premises into containers meeting the requirements of section 62-11(a)(1).

(3) Use those containers:

a. Provided by the appropriate solid waste franchisee; or

b. Approved by the city under a valid self haul permit for the premises.

(b) Placement for collection. To minimize interference with public rights-of-way, no person shall place a container in a public right-of-way for collection by the appropriate solid waste franchisee more than 24 hours prior to the normal collection time. Containers placed in a public right-of-way for collection shall be removed from the right-of-way within 24 hours after collection.

(c) Storage. Except during the time a cart or bin is placed for collection, no cart or bin shall be visible from the public right-of-way. A debris box may be placed in a location that is visible from the public right-of-way at a single-family residential

premises for up to 30 consecutive days and for no more than 60 total days during any 12-month period.

Sec. 62-12. - Cleanup.

- (a) Until solid waste, recyclable materials or green-organic waste has been picked up by the appropriate solid waste franchisee, or is self hauled in accordance with a valid self haul permit, each person in charge of a premises shall be responsible for the cleanup of any and all solid waste, recyclable material, or green-organic waste generated or accumulated on the premises that is spilled on, at, or in the premises. This cleanup responsibility includes the cleanup of solid waste, recyclable materials and green-organic waste spilled for any reason, including but not limited to human or animal interference with a container, wind or other natural forces, at any time during storage, collection, removal, or transfer of the materials.
- (b) The city's solid waste franchisee(s) shall clean up any solid waste, recyclable material, or green-organic waste spilled during its collection, removal, or transfer, as soon as the spill occurs.

Sec. 62-13. - Disposal frequency.

All solid waste accumulating upon a premises must be disposed of as frequently as required to avoid an accumulation of solid waste in violation of section 30-32 but in no case shall disposal occur less frequently than one time per week, except that less than weekly disposal is permitted during any period of time the premises is temporarily unoccupied and solid waste is not accumulating on the premises due to out-of-town travel or other similar situations.

Sec. 62-14. - AB 939 fees.

Pursuant to Division 30, Part 2, Chapter 8 of the Public Resources Code Section 41900 et seq., the city may impose fees on premises in amounts sufficient to pay the costs of preparing, adopting, and implementing a countywide integrated waste management plan, including the costs of preparing, adopting and implementing the city's required source reduction and recycling element, household hazardous waste element, and nondisposal facility element, and the costs of setting and collecting the fees.

Secs. 62-15—62-19. - Reserved.

ARTICLE III. – FRANCHISES

Sec. 62-20. - Findings.

- (a) California Constitution Articles XIII(C) and XIII(D), commonly known as "Proposition 218," regulates a public agency's imposition of certain fees for property-related services provided by the public agency. Proposition 218 does not restrict or regulate what a private profit-making entity may charge for property-related services provided by a private entity.
- (b) The rates and fees established by a solid waste franchisee pursuant to this article are not subject to Proposition 218 because, among other reasons, the solid waste franchisee independently establishes, charges and collects the fees and rates for its service; owners of single-family residential premises may avoid the imposition of such fees and rates by obtaining a self haul permit; and owners of any property in

the city may avoid the imposition of such fees and rates by leaving their property undeveloped or unoccupied.

Sec. 62-21. - Provision of solid waste handling service.

- (a) The city council may grant franchises to one or more solid waste enterprises to make arrangements with the persons in charge of premises within the city for solid waste handling services, in accordance with section 62-22
- (b) The city council may determine solid waste collection categories, (e.g., single-family residential, multifamily residential, commercial, construction and demolition materials, household hazardous waste, universal waste, recyclable materials, green organic waste and others) and may make or impose franchise, license, contract or permit requirements which may vary for such categories.

Sec. 62-22. - Solid waste franchises.

- (a) The city council may award exclusive, partially exclusive, or non-exclusive franchises for one or more types of solid waste handling services for all or a portion of the premises in the city. Any such franchise shall be in the form of a written agreement, approved by the city council by written resolution, and shall be subject to all of the continuation rights, if any, held by any other solid waste Enterprise pursuant to Public Resources Code Section 49520 et seq. Where a franchise agreement is silent on an issue, the provisions of this chapter shall govern. Where a franchise agreement predates the effective date of this chapter, the provisions of the franchise agreement shall govern over any inconsistent provisions contained in this chapter.
- (b) Any franchise granted pursuant to subsection (a) of this section shall be granted on such terms and conditions as the city council shall establish in its sole discretion. At a minimum, the franchise shall provide:
 - (1) The solid waste franchisee shall comply with the provisions of this chapter; and
 - (2) The solid waste franchisee shall protect, defend, indemnify and hold the city harmless such acts, omissions, liabilities and damages related to the agreement as the city attorney and city manager determined to be reasonable necessary to adequately protect the city; and
 - (3) The solid waste franchisee shall be required to cooperate with city in solid waste disposal characterization studies and the preparation of waste stream audits, and to submit information required by the city to meet the reporting requirements of AB 939, or any other law or regulation, and to implement measures consistent with the city's source reduction and recycling element to reach the solid waste and recycling goals mandated by the California Integrated Waste Management Act of 1989, as it may be amended from time to time.

Sec. 62-23. - Manner, time and frequency of collection.

- (a) Regular collection. The city's solid waste franchisee(s) shall make arrangements with its account holders specifying the manner in which solid waste handling services are to be regularly provided, subject to the terms of its franchise.
- (b) Special collections. The city's solid waste franchisee(s) shall provide on-call collection of bulky waste and household hazardous waste to its account holders,

and shall provide its account holders with debris boxes when requested and collect the debris box when the account holder no longer requires the debris box. The terms and conditions upon which such special collections are provided to account holders shall be arranged between the solid waste franchisee and the account holder, subject to the terms of the solid waste franchisee's franchise from the city.

Sec. 62-24. - Liability for solid waste collection fees.

- (a) Joint and several liability. The owner of a premises and the account holder for a premises are jointly and severally liable for solid waste handling services provided to the premises by a solid waste franchisee.
- (b) Delinquencies—Single-family and multifamily residential premises. An account holder for a single-family or multifamily premises who has not remitted required payment for solid waste handling services within 120 days after the date of billing shall be notified by the solid waste franchisee servicing the premises on forms that contain a statement that if payment is not received within 15 days from the date of the notice, a ten percent penalty and 1.5 percent monthly interest will begin to accrue and the city will be informed of the delinquency in an annual report. The solid waste franchisee will deliver a report of the delinquencies in May of each year with a request that the city place the delinquencies on the tax roll.

Pursuant to Government Code Sections 38790.1 and 25831, or in the alternative HSC 5473a, the city may collect delinquent fees or charges for solid waste handling services on the property tax roll for the premises. If the city decides to collect delinquent solid waste handling fees or charges on the property tax roll, it shall adhere to the following procedures:

- (1) City will fix a time, date and place for hearing the report of delinquencies submitted by the solid waste franchisee and any objections and protests to the report. The solid waste franchisee shall mail notice of the hearing to the owner of every premises listed on the report not less than ten days prior to the date of the hearing. At the hearing, city shall hear any objections or protests of owners liable to be assessed for delinquent fees. The city may make revisions or corrections to the report as it deems just, after which, by resolution, the report shall be confirmed.
- (2) The delinquent fees set forth in the report as confirmed shall constitute special assessments against the premises listed in the report and are a lien on the premises for the amount of the delinquent fees. A certified copy of the confirmed report shall be filed with the Riverside County Auditor for the amounts of the respective assessments against the respective premises as they appear on the current assessment roll. The lien created attaches upon recordation, in the office of the Riverside County Recorder, of a certified copy of the resolution of confirmation. The assessment may be collected at the same time and in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for those taxes.
- (3) City shall remit to its solid waste franchisee(s) amounts collected pursuant to this process within 30 days of receipt from the Riverside County Assessor. Solid

waste franchisee(s) shall notify the city in the event any delinquency on the report for which a lien has been created is paid or otherwise resolved.

- (c) Delinquencies—Commercial premises. Solid waste franchisee(s) may discontinue service to a commercial premises if the account holder of the commercial premises has not remitted required payment for solid waste handling services within 60 days after the date of billing. If a solid waste franchisee terminates service to any nonpaying premises, the solid waste franchisee may require as a condition precedent to re-establishment of such service, that the owner of the premises and the account holder must comply fully with all of the billing policies and practices of the solid waste franchisee, including, but not limited to, requirement of payment by cash or cash equivalent, prepayment of one full billing cycle, a security deposit, payment of all costs of collection of monies owed to the solid waste franchisee, and payment of a reinstatement fee. Delinquent commercial premises accounts shall be charged a 1.5 percent monthly late fee on the delinquent balance. If a solid waste franchisee discontinues service for nonpayment, the solid waste franchisee shall, upon city request, give written notice to the city manager of any discontinuance of service for nonpayment, giving the name and address of the account holders.

Secs. 62-25—62-29. - Reserved.

ARTICLE IV. - SELF HAULING

Sec. 62-30. - Applicability

Self haul permits are available only to single-family residential premises because it is more difficult to transport larger volumes of solid waste, recyclables and green waste in a manner that is safe and sanitary. The difficulty posed by self hauling larger volumes of solid waste, recyclables and green-organic waste poses an unwarranted threat to the public health, safety and welfare, as it could lead to increased illegal dumping and burning, failure to segregate recyclables and green-organic waste, unauthorized deposit of solid waste in the containers of another, and the accumulation of solid waste at a premises for more than one week.

Sec. 62-31. - Self haul permit.

- (a) Permit required. The person in charge of a single-family residential premises may apply for and obtain a permit to self haul, and shall not self haul without a valid self haul permit issued pursuant to this section. Every person in charge of a single-family residential premises who desires to self haul in lieu of making arrangements with the appropriate solid waste franchisee for solid waste handling services shall obtain a self haul permit from the city's public works director or his or her designee prior to commencing self hauling.
- (b) Term. A permit to self haul shall be good for one calendar year, or such part of the calendar year that is remaining after the issuance of the permit. All self haul permits shall expire on December 31, and may be renewed annually. Application for a renewal permit must be filed at least 60 days prior to the expiration date of the permit to allow adequate time for processing, inspection and verifications required to issue the permit.

- (c) Issuance of permit. An applicant for a self haul permit shall submit a completed application, on a form approved by the city's public works director, to the public works department. The public works director or his or her designee shall determine whether the application is complete within five working days of the receipt of the application. If the director or his or her designee finds the application incomplete, the applicant shall be given a list of further information needed to complete the application.

After it is determined that an application for a self haul permit is complete, the applicant shall produce the items listed in subsections (c)(1) through (7) below. The director of public works or his or her designee shall issue a self haul permit within five working days of the production of all of the required items.

- (1) The applicant produces for inspection the vehicle the applicant intends to use for self hauling, and the vehicle meets the following standards:
 - a. The vehicle is capable of safely hauling a minimum of 32 gallons (4.3 cubic feet) of solid waste, recyclable materials and green-organic waste in a safe and sanitary manner so that such matter will not spill; and
 - b. If the vehicle is not fully enclosed, the applicant produces a tarp or other material that is demonstrated to completely secure the materials being self hauled;
- (2) The applicant produces evidence that he or she owns or leases the vehicle produced for inspection or has a written agreement to use the vehicle for self hauling with the vehicle's owner or lessor;
- (3) The applicant produces evidence that he or she has a valid California driver's license to operate the vehicle produced for inspection and that the vehicle is registered in the State of California;
- (4) The applicant provides the city with a certificate of automobile insurance for the vehicle;
- (5) The vehicle is operational and meets all applicable Vehicle Code standards;
- (6) The applicant provides the city with proof that the applicant has containers for the storage of solid waste, recyclable materials and green waste on the applicant's premises before the materials are hauled to a disposal facility; and
- (7) The applicant provides proof that he/she has no outstanding charges due to the city's solid waste franchisee for solid waste handling services previously received at the premises for which the self hauling permit application is being submitted; and
- (8) The applicant pays the fee for a self haul permit authorized by resolution of the city council. The fee shall reflect the city's reasonable costs of issuing and monitoring compliance with the permit. Permits issued between January 1 and March 31 shall pay 100 percent of the permit fee; permits issued between April 1 and June 30 shall pay 75 percent of the permit fee; permits issued between July 1 and September 30 shall pay 50 percent of the permit fee; permits issued between October 1 and December 31 shall pay 25 percent of the permit fee.

- (d) Appeal of denial. An applicant whose application for a self haul permit has been denied may appeal that decision. An appeal may be filed within five days of the date the applicant was notified of the denial. Appeals shall be heard by the city manager. The decision of the city manager is final.
- (e) Operational standards.
- (1) Permittees must dispose of solid waste weekly at a licensed or permitted landfill or disposal facility and shall procure and retain weekly receipts from such landfill or other disposal facility. Receipts shall be submitted to the city upon request. Failure to show proof of solid waste disposal for each week that a person is permitted to self haul shall constitute a public health and safety nuisance sufficient to permit city to revoke the permittees' self haul permit.
 - (2) Permittees must notify the city of any change in the vehicle being used to haul solid waste by the permittee. Permittees must bring the new vehicle in for an inspection and demonstrate compliance with items (1) through (5) of subsection (b) of this section before the new vehicle is used to haul any solid waste under the permit.
 - (3) Permittee must keep on file with the city copies of the current automobile insurance and registration for the vehicle used to self haul and the permittee's current California driver's license. Permittee must provide proof to city of renewed automobile insurance, vehicle registration, and California driver's license within five days of expiration of respective document.
 - (4) Permittees must separate and bag solid waste, recyclable materials and green organic waste. Recyclable materials shall be disposed of at a licensed or permitted recycling center. Green-Organic waste shall be disposed of at a licensed or permitted composting center or shall be composted on the premises covered by the self haul permit.
 - (5) Permittees are liable for any damages and cleanup costs resulting from any solid waste, recyclable materials or green-organic waste spills during the course of the permittees' self hauling activity.
- (f) Revocation of permit. The self haul permit shall be subject to revocation if the permittee violates any provision of this chapter. A notice of revocation shall be mailed to the permittee informing them that their self haul permit is being revoked, identifying the violations of this chapter that have occurred, and informing the permittee that he or she has the right to dispute the revocation by an appeal to the city manager. An appeal of a revocation must be filed within five calendar days of the mailing of notice of the revocation. A revocation appeal hearing will be scheduled within five days of the date the city receives the request for an appeal. The city manager will issue a decision on the appeal within five days of the hearing and provide the permittee written notice of the decision. The decision of the city manager on the appeal shall be final. A person whose self haul permit has been revoked pursuant to this subsection (f) may not obtain another self haul permit for one year from the date of the revocation.

Sec. 62-32. - AB 939 fees.

Pursuant to Division 30, Part 2, Chapter 8 of the Public Resources Code Section 41900 et seq., the city may impose fees on persons with a self haul permit in amounts sufficient to pay the costs of preparing, adopting, and implementing a countywide integrated waste management plan, including the costs of preparing, adopting and implementing the city's required source reduction and recycling element, household hazardous waste element, and nondisposal facility element, and the costs of setting and collecting the fees.

Secs. 62-33—62-39. - Reserved.

ARTICLE V. - RECYCLABLE MATERIALS, GREEN WASTE AND C&D MATERIALS

Sec. 62-40. - Recyclable materials—Ownership, right to dispose.

- (a) Upon placement by the owner of recyclable material at a designated recycling collection location, or placement of recyclable materials in a container provided by the appropriate solid waste franchisee, the recyclable material becomes the property of the recycler or solid waste franchisee, by operation of state law.
- (b) Nothing in this chapter shall limit the right of any person, organization or other entity to donate, sell or otherwise dispose of any recyclable material segregated from the solid waste stream owned by that person, organization or other entity, provided that the person, organization or other entity does not pay the buyer or donee any consideration for collecting, processing or transporting such recyclable material, or a consulting or broker's fee for recycling services.

Sec. 62-41. - Landscapers—Disposal of green waste.

Landscapers may collect, transport and compost or dispose of green waste without obtaining a self haul permit, provided that any such green waste is transported to a site permitted by CalRecycle or exempt from permitting.

Landscapers shall not contract with a solid waste enterprise to collect, transport and compost or dispose of green waste unless that solid waste enterprise has a franchise from the city to perform said services.

Sec. 62-42. - Licensed contractors—Disposal of C&D materials.

Licensed contractors performing work within the scope of their licenses within the city may collect, transport and dispose or recycle self-generated construction and demolition materials without obtaining a self haul permit, provided that the licensed contractor adheres to the standards for disposal of construction and demolition material provided in the California Green Building Standards Code (California Code of Regulations Title 24, Part 11). Construction and demolition materials must be transported to a landfill or recycling facility permitted by CalRecycle or exempt from permitting.

Licensed contractors shall not contract with a solid waste enterprise to collect, transport and dispose or recycle of construction and demolition materials unless that solid waste enterprise has a franchise from the city to perform said services.

Secs. 62-43—62-49. - Reserved.

ARTICLE VI. - PROHIBITED ACTS

Sec. 62-50. - Use of containers.

(a) No person in charge of a premises shall keep solid waste, recyclable materials or ~~green-organic~~ waste in any container other than a container provided by the appropriate solid waste franchisee or approved by the city pursuant to an approved self haul permit.

(b) Any container not provided by the appropriate solid waste franchisee or approved by the city pursuant to an approved self haul permit is prima facie evidence that the owner of the container is engaging in solid waste disposal in violation of this chapter. Any such unauthorized container may be abated as a public nuisance and impounded as provided in section 62-74.

(c) Notwithstanding subsections (a) and (b) of this section, composting organic waste at a single-family residential premise in a container other than one provided by a solid waste franchisee or approved by the city pursuant to an approved self-haul permit shall not be a violation of this section.

Sec. 62-51. - Removal of solid waste.

No person other than the person in charge of any premises or a city solid waste franchisee shall:

- (1) Remove any container from the location where the container was placed for storage or collection by the person in charge of the premises; or
- (2) Remove any solid waste, recyclable materials or ~~green-organic~~ waste from any container; or
- (3) Move a container from the location in which it was placed for storage or collection without the prior written approval of the person in charge of the premises.

Sec. 62-52. - Bulky waste.

No person shall place bulky waste adjacent to or in a street or public right-of-way for collection or removal purposes without first making arrangements with the appropriate solid waste franchisee for the collection or removal of such bulky waste.

Sec. 62-53. - Hazardous waste.

No person shall place or deposit hazardous waste, household hazardous waste, or universal waste in any container provided by a solid waste franchisee, or deposit, release, spill, leak, pump, pour, emit, empty, discharge, inject, dump or dispose into the environment any hazardous waste, household hazardous waste or universal waste.

Sec. 62-54. - Solid waste burning.

No person shall burn any solid waste within the city, except in an approved incinerator or transformation facility or other device for which a permit has been issued, and which complies with all applicable permit and other regulations of air pollution control authorities, and provided any such act of burning in all respects complies with all other laws, rules and regulations.

Sec. 62-55. - Franchise required.

No person except a solid waste franchisee, a person with a self haul permit, a landscaper, or a licensed contractor performing work within the scope of that license, shall collect or remove any solid waste, recyclable materials or ~~green-organic~~ waste from any premises within the city.

Sec. 62-56. - Public nuisance.

It is unlawful and a public nuisance if one of the following conditions exists at a premises:

- (1) The person in charge of the premises has not made arrangements with the appropriate solid waste franchisee for solid waste handling services, and the person in charge of the premises does not have a valid self haul permit;
- (2) The person in charge of the premises has made arrangements with the appropriate solid waste franchisee for solid waste handling services, but the solid waste franchisee has terminated services to the premises due to the account holder's failure to pay for such services; and
- (3) The person in charge of the premises has obtained a self haul permit from the city, but the permittee has violated one or more of the operational standards contained in section 62-31(e).

Sec. 62-57. - Unauthorized disposal.

No person shall place anything in another person's containers without the permission of such other person.

Sec. 62-58. - Spills.

It is unlawful for any person transporting solid waste, recyclable materials or green organic waste not to clean up, or arrange for the cleanup, of any solid waste, recyclable materials or green-organic waste spilled during removal or transport within the city by such person. If any person transporting solid waste, recyclable materials or green organic waste spills any such materials and does not clean up or arrange for the cleanup of the spill, the city may clean up the spill and charge the person responsible for the spill 100 percent of the costs the city incurred in cleaning up the spill.

Sec. 62-59. - Unlawful dumping.

It is unlawful for any person to negligently or intentionally spill upon any property within the city any solid waste, recyclable materials or green-organic waste, or to cause, suffer, or permit solid waste, recyclable materials or green-organic waste to be located upon any property in the city, except as authorized by law.

Sec. 62-60. - Solid waste facilities.

No person shall construct or operate a solid waste management facility, including but not limited to a materials recovery facility, solid waste transfer or processing station, composting facility, a buy-back or drop-off center, disposal facility or a recycling center without first satisfying all city requirements for land use, environmental and other approvals.

Secs. 62-61—62-69. - Reserved.

ARTICLE VII. – ENFORCEMENT

Sec. 62-70. - Enforcement.

- (a) Pursuant to California Penal Code Section 836.5, any city code enforcement officer is authorized to enforce the provisions of this chapter and as well as those of California Penal Code Sections 374, 374a, 374.2, 374.3, 374.4, 374d, 374.7, and

375; California Government Code Section 68055 et seq.; and California Vehicle Code Sections 23111 and 23112.

- (b) Any violation of this chapter may be enforced in any manner authorized by law, including but not limited to an administrative citation, criminal citation, nuisance abatement action, or civil action.

Sec. 62-71. - Violation.

Except as otherwise provided in this chapter, violations of this chapter are punishable as set out in section 1-8 of this Code.

Sec. 62-72. - Misdemeanor.

Violation of this chapter shall be a misdemeanor.

Sec. 62-73. - Attorney's fees.

In any action or proceeding brought to enforce a violation of this chapter, including but not limited to a nuisance abatement action and an action to foreclose on a special assessment, the prevailing party shall recover its reasonable attorney's fees and costs.

Sec. 62-74. - Impounding containers

- (a) Containers subject to impounding. Any container within the city that is not provided by the appropriate solid waste franchisee or approved by the city pursuant to an approved self haul permit may be impounded in accordance with this section. Containers used for composting at single-family residential premises, as allowed by Section 62-50(c) of this code, shall not be subject to impounding pursuant to this section.
- (b) Notice to remove. The director may cause a notice to remove to be posted on the illegal container. The notice to remove shall state that the container must be removed from the premises within three calendar days from the date the notice is posted on the container or it will be removed and stored by the city and the contents disposed of at the expense of the owner of the container. The posting of the notice to remove constitutes constructive notice to the owner of the container and the person in charge of the premises that the container must be removed from the premises.
- (c) Removal of containers. If the container is not removed within three calendar days of the notice to remove, the director may direct the removal and storage of the container and the disposal of its contents. The city may employ the services of its solid waste franchisee(s) or any other contractor to remove said containers. Any person whose duty it is to remove and store containers may enter upon private property with the consent of the owner or other person in charge of the premises, or by authority of a warrant, or without consent or a warrant if exigent circumstances exist.
- (d) Storage of containers. After a container is removed and placed in storage, the director shall mail to the owner of the container a notice to claim the stored container, if the identity of the owner of the container is known. The director shall make reasonable efforts to identify the owner of a stored container. If the container is not claimed within 30 calendar days after notice to the owner is mailed, or 30

days after the container is removed if the owner is not known, the container shall be deemed abandoned property and may be disposed of accordingly.

- (e) Release of container. No container shall be released to its owner unless the owner has paid the city for the actual costs of the removal, storage and disposal of contents, plus any administrative and ancillary fees, fines or penalties established by resolution of city council. All amounts due to the city shall constitute a civil debt owed to the city by the owner of the container.



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager *GT*
Kristen Jensen, Public Works Director

DATE: October 27, 2015

RE: **Approve Agreements for On-Call Engineering Services with Engineering Resources of Southern California and Albert A. Webb Associates**

RECOMMENDED ACTION:

It is respectfully recommended that the City Council:

- 1) Approve a Design Professional Services Agreement with Engineering Resources of Southern California for on-call engineering services for a three-year period commencing on the date of execution by the City Manager in an amount not to exceed \$60,000. (Exhibit "A")
- 2) Approve a Design Professional Services Agreement with Albert A. Webb for on-call engineering services for a three-year period commencing on the date of execution by the City Manager in an amount not to exceed \$60,000. (Exhibit "B")
- 3) Authorize the City Manager to execute the agreements listed in recommendation 1 and 2 above, and execute purchase orders necessary to support both agreements.

BACKGROUND:

In order to assure important Capital Improvement Projects in the Water/Wastewater Department are completed in a timely manner, the City of Hemet Water Department issued a Request for Statement of Qualifications (RSOQ) to create a shortlist of qualified consulting firms to provide on-call engineering services for future projects involving planning, pre-design, design, bidding, and construction management.

On April 30, 2015, the City of Hemet Water Department issued a RSOQ for On-Call Engineering Services for Water Distribution/Storage, Water Treatment, Wastewater Collection and Stormwater Conveyance/Treatment Infrastructure Improvements. A total of six (6) qualification/proposal packages were received by the deadline of May 21, 2015. These packages were reviewed, evaluated, and ranked for content and responsiveness to the RSOQ requirements.

The top four (4) qualified firms were invited to interview with a selection committee on August 4, 2015. Representatives from the firm of Michael Baker International were unable to participate in the interviews on this date and asked to have their interview rescheduled. Unfortunately we were unable to accommodate this request. Representatives from the three remaining firms participated in the scheduled interviews.

At the conclusion of the interviews, the selection committee recommended that all three firms interviewed be retained for on-call engineering services. Each firm demonstrated they had the experience and resources needed to respond to a variety of the Water Department needs. In addition, each firm varies in staff size, range of capabilities and areas of specialty. The following firms were selected:

- Cozad and Fox, Inc.
- Engineering Resources of Southern California, Inc.
- Albert A. Webb Associates.

A Design Professional Services Agreement with Cozad and Fox, Inc. has already been executed by the City Manager for a three-year period commencing October 5, 2015 in an amount not to exceed \$30,000.

CONSISTENCY WITH ADOPTED GOALS, PLANS, AND PROGRAMS:

- **Goal CSI-2** Maintain a water delivery system that is capable of meeting the daily and peak demands of Hemet residents and businesses in an efficient and environmentally sound manner.
- **Goal CSI-3** Maintain a wastewater collection, treatment and disposal system capable of meeting the daily and peak demands of Hemet residents and businesses in an efficient and environmentally sound manner.
- **Goal CSI-4** Maintain adequate stormwater management and drainage systems to help protect against flood hazards, recharge the aquifer, and preserve groundwater quality.

FISCAL IMPACT:

No General Fund Impact. Funding for the first year of these agreements was previously approved through FY15/16 Operating Budget in Water Fund No. 571-9000-2710 in an amount of \$50,000. An additional \$50,000 will be budgeted in FY16-17 and in FY17-18 to cover the total amount of all three on-call engineering contracts, which is \$150,000 over the three-year agreement period.

Respectfully submitted,

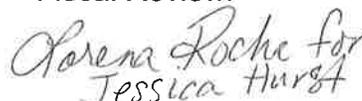


Linda Nixon
Environmental Services Manager

Approved as to form:

Eric S. Vail
City Attorney

Fiscal Review:



Jessica A. Hurst
Deputy City Manager

Attachment(s):

- Exhibit "A" – Design Professional Services Agreement with Engineering Resources of Southern California
- Exhibit "B" – Design Professional Services Agreement with Albert A. Webb Associates

DESIGN PROFESSIONAL SERVICES AGREEMENT

FOR ON-CALL ENGINEERING SERVICES

By and Between

**THE CITY OF HEMET,
a municipal corporation**

and

**ENGINEERING RESOURCES OF SOUTHERN CALIFORNIA,
a California corporation**

**AGREEMENT FOR DESIGN PROFESSIONAL SERVICES
BETWEEN
THE CITY OF HEMET, CALIFORNIA
AND
ENGINEERING RESOURCES OF SOUTHERN CALIFORNIA**

This Agreement for Design Professional Services ("Agreement") is entered into as of this 27 day of October, 2015 by and between the City of Hemet, a municipal corporation ("City") and **Engineering Resources of Southern California, a California corporation** ("Design Professional"). City and Design Professional are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

A. City has sought, by **request for qualifications** the performance of the **on-call engineering** services defined and described particularly in Section 2 of this Agreement.

B. Design Professional, following submission of a **proposal** for the performance of the services defined and described particularly in Section 2 of this Agreement, was selected by the City to perform those services.

C. Design Professional was selected by the City on the basis of Design Professional's demonstrated competence and the professional qualifications necessary for the satisfactory performance of the services required.

D. Pursuant to the City of Hemet's Municipal Code, City has authority to enter into this Design Professional Services Agreement.

E. The Parties desire to formalize the selection of Design Professional for performance of those services defined and described particularly in Section 2 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained here and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of Section 20 "Termination of Agreement" of this Agreement, the Term of this Agreement is for **36 months** commencing on the date first ascribed above.

SECTION 2. SCOPE OF SERVICES & SCHEDULE OF PERFORMANCE.

(a) Scope of Services. Design Professional agrees to perform the services set forth in Exhibit "A" "Scope of Services" (hereinafter, the "Services") and made a part of this Agreement by this reference.

(b) Schedule of Performance. The Services shall be completed pursuant to the schedule specified in Exhibit "A." Should the Services not be completed pursuant to that schedule, the Design Professional shall be deemed to be in Default of this Agreement. The City, in its sole discretion, may choose not to enforce the Default provisions of this Agreement and may instead allow Design Professional to continue performing the Services.

SECTION 3. ADDITIONAL SERVICES.

Design Professional shall not be compensated for any work rendered in connection with its performance of this Agreement that are in addition to or outside of the Services unless such additional services are authorized in advance and in writing in accordance with Section 26 "Administration and Implementation" or Section 28 "Amendment" of this Agreement. If and when such additional work is authorized, such additional work shall be deemed to be part of the Services.

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this Agreement, City agrees to pay Design Professional the amounts specified in Exhibit "B" "Compensation" and made a part of this Agreement by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed **sixty thousand dollars (\$60,000)**, unless additional compensation is approved in writing in accordance with Section 26 "Administration and Implementation" or Section 28 "Amendment" of this Agreement.

(b) Each month Design Professional shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-Design Professional contracts. Sub-Design Professional charges shall be detailed by the following categories: labor, travel, materials, equipment and supplies. If the compensation set forth in subsection (a) and Exhibit "B" include payment of labor on an hourly basis (as opposed to labor and materials being paid as a lump sum), the labor category in each invoice shall include detailed descriptions of task performed and the amount of time incurred for or allocated to that task. City shall independently review each invoice submitted by the Design Professional to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Design Professional for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by Design Professional which are disputed by City, City will use its best efforts to cause Design Professional to be paid within forty-five (45) days of receipt of Design Professional's correct and undisputed invoice.

(d) Payment to Design Professional for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Design Professional.

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

City may inspect and accept or reject any of Design Professional's work under this Agreement, either during performance or when completed. City shall reject or finally accept Design Professional's work within sixty (60) days after submitted to City. City shall reject work by a timely written explanation, otherwise Design Professional's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of Design Professional's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Section 16 "Indemnification" and Section 17 "Insurance."

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Design Professional in the course of providing the Services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Design Professional. Upon completion, expiration or termination of this Agreement, Design Professional shall turn over to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

If and to the extent that City utilizes for any purpose not related to this Agreement any maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents prepared, developed or discovered by Design Professional in the course of providing the Services pursuant to this Agreement, Design Professional's guarantees and warranties in Section 9 "Standard of Performance" of this Agreement shall not extend to such use of the maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents.

SECTION 7. DESIGN PROFESSIONAL'S BOOKS AND RECORDS.

(a) Design Professional shall maintain any and all documents and records demonstrating or relating to Design Professional's performance of the Services. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work,

services, expenditures and disbursements charged to City pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Design Professional pursuant to this Agreement. Any and all such documents or records shall be maintained for three (3) years from the date of execution of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon request by City or its designated representative. Copies of such documents or records shall be provided directly to the City for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Design Professional's address indicated for receipt of notices in this Agreement.

(c) Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Design Professional's business, City may, by written request, require that custody of such documents or records be given to the City. Access to such documents and records shall be granted to City, as well as to its successors-in-interest and authorized representatives.

SECTION 8. INDEPENDENT CONTRACTOR.

(a) Design Professional is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Design Professional shall have no authority to bind City in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

(b) The personnel performing the Services under this Agreement on behalf of Design Professional shall at all times be under Design Professional's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Design Professional or any of Design Professional's officers, employees, or agents except as set forth in this Agreement. Design Professional shall not at any time or in any manner represent that Design Professional or any of Design Professional's officers, employees, or agents are in any manner officials, officers, employees or agents of City.

(c) Neither Design Professional, nor any of Design Professional's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Design Professional expressly waives any claim Design Professional may have to any such rights.

SECTION 9. STANDARD OF PERFORMANCE.

Design Professional represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the Services required under this Agreement in a thorough, competent and professional manner. Design Professional shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all Services. In meeting its obligations under this Agreement, Design Professional shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to the Services required of Design Professional under this Agreement, and shall use such skill, prudence, and diligence as other members of Design Professional's profession commonly possess and exercise. In addition to the general standards of performance set forth this section, additional specific standards of performance and performance criteria may be set forth in Exhibit "A" "Scope of Work" that shall also be applicable to Design Professionals work under this Agreement. Where there is a conflict between a general and a specific standard of performance or performance criteria, the specific standard or criteria shall prevail over the general.

SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

Design Professional shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Design Professional shall obtain any and all licenses, permits and authorizations necessary to perform the Services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Design Professional to comply with this section.

SECTION 11. PREVAILING WAGE LAWS.

It is the understanding of City and Design Professional that California prevailing wage laws do not apply to this Agreement because the Agreement does not involve any of the following services subject to prevailing wage rates pursuant to the California Labor Code or regulations promulgated thereunder: Construction, alteration, demolition, installation, or repair work performed on public buildings, facilities, streets or sewers done under contract and paid for in whole or in part out of public funds. In this context, "construction" includes work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work.

SECTION 12. NONDISCRIMINATION.

Design Professional shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this Agreement.

SECTION 13. UNAUTHORIZED ALIENS.

Design Professional hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Design Professional so employ such unauthorized aliens for the performance of the Services, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Design Professional hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

SECTION 14. CONFLICTS OF INTEREST.

(a) Design Professional covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Design Professional's performance of the Services. Design Professional further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Design Professional agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

(b) City understands and acknowledges that Design Professional is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Design Professional is unaware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

(c) City understands and acknowledges that Design Professional will, perform non-related services for other governmental agencies and private parties following the completion of the Services under this Agreement. Any such future service shall not be considered a conflict of interest for purposes of this section.

SECTION 15. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained or work product produced by Design Professional in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Design Professional. Design Professional shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

(b) Design Professional, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order

shall not be considered "voluntary" provided Design Professional gives City notice of such court order or subpoena.

(c) If Design Professional, or any officer, employee, agent or subcontractor of Design Professional, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Design Professional for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Design Professional's conduct.

(d) Design Professional shall promptly notify City should Design Professional, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Design Professional or be present at any deposition, hearing or similar proceeding. Design Professional agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Design Professional. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

SECTION 16. INDEMNIFICATION.

(a) Indemnification by Design Professional. As provided under Civil Code Section 2782.8, Design Professional shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all claims, actions and proceedings (whether at law or equity, administrative or judicial), demands, orders, judgments, losses, liabilities, damages, costs and expenses, including attorney's fees and costs, (collectively "Claims") to the extent same arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design Professional, its officers, agents, employees or sub-consultants (or any entity or individual that Design Professional shall bear the legal liability thereof) in the performance of professional services under this Agreement, with the understanding that in the event Claims are found by the trier of fact to have been caused by the joint or concurrent negligence of the City and its contractors and Design Professionals, and Design Professional, damages and expenses from both indemnity and duty to defend obligations shall be borne by each party in proportion to its negligence.

(b) Indemnification from Sub-consultants. Design Professional agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub-consultant, sub-contractor or any other person or entity involved by, for, with or on behalf of Design Professional in the performance of this Agreement naming the Indemnified Parties as additional indemnitees. In the event Design Professional fails to obtain such indemnity obligations from others as required here, Design Professional agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no

additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth herein is binding on the successors, assigns or heirs of Design Professional and shall survive the termination of this Agreement or this section.

(c) City's Negligence. The provisions of this section do not apply to Claims occurring as a result of City's sole negligence. The provisions of this section shall not release City from liability arising from gross negligence or willful acts or omissions of City or any and all of its officials, employees and agents.

SECTION 17. INSURANCE.

Design Professional agrees to obtain and maintain in full force and effect during the term of this Agreement the insurance policies set forth in Exhibit "C" "Insurance" and made a part of this Agreement. All insurance policies shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. Design Professional agrees to provide City with copies of required policies upon request.

SECTION 18. ASSIGNMENT.

The expertise and experience of Design Professional are material considerations for this Agreement. City has an interest in the qualifications and capability of the persons and entities who will fulfill the duties and obligations imposed upon Design Professional under this Agreement. In recognition of that interest, Design Professional shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Design Professional's duties or obligations under this Agreement without the prior written consent of the City. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling City to any and all remedies at law or in equity, including termination of this Agreement pursuant to Section 20 "Termination of Agreement." City acknowledges, however, that Design Professional, in the performance of its duties pursuant to this Agreement, may utilize subcontractors.

SECTION 19. CONTINUITY OF PERSONNEL.

Design Professional shall make every reasonable effort to maintain the stability and continuity of Design Professional's staff and subcontractors, if any, assigned to perform the Services. Design Professional shall notify City of any changes in Design Professional's staff and subcontractors, if any, assigned to perform the Services prior to and during any such performance.

SECTION 20. TERMINATION OF AGREEMENT.

(a) City may terminate this Agreement, with or without cause, at any time by giving thirty (30) days written notice of termination to Design Professional. In the event such notice is given, Design Professional shall cease immediately all work in progress.

(b) Design Professional may terminate this Agreement for cause at any time upon thirty (30) days written notice of termination to City.

(c) If either Design Professional or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Design Professional, or City may terminate this Agreement immediately upon written notice.

(d) Upon termination of this Agreement by either Design Professional or City, all property belonging exclusively to City which is in Design Professional's possession shall be returned to City. Design Professional shall furnish to City a final invoice for work performed and expenses incurred by Design Professional, prepared as set forth in Section 4 of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 4 "Compensation and Method of Payment" of this Agreement.

SECTION 21. DEFAULT.

In the event that Design Professional is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Design Professional for any work performed after the date of default. Instead, the City may give notice to Design Professional of the default and the reasons for the default. The notice shall include the timeframe in which Design Professional may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Design Professional is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Design Professional does not cure the default, the City may take necessary steps to terminate this Agreement under Section 20. Any failure on the part of the City to give notice of the Design Professional's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

SECTION 22. EXCUSABLE DELAYS.

Design Professional shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of Design Professional. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of City, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this Agreement shall be equitably adjusted for any delays due to such causes.

SECTION 23. COOPERATION BY CITY.

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the

Services shall be furnished to Design Professional in every reasonable way to facilitate, without undue delay, the Services to be performed under this Agreement.

SECTION 24. NOTICES.

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: City of Hemet
Attn: City Manager
445 E. Florida Avenue
Hemet, CA 92543

To Design Professional: Engineering Resources of Southern California
Attn: Matt Brudin
3550 E. Florida Avenue, Suite B
Hemet, CA 92544

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 25. AUTHORITY TO EXECUTE.

The person or persons executing this Agreement on behalf of Design Professional represents and warrants that he/she/they has/have the authority to so execute this Agreement and to bind Design Professional to the performance of its obligations hereunder.

SECTION 26. ADMINISTRATION AND IMPLEMENTATION.

This Agreement shall be administered and executed by the City Manager or his or her designated representative. The City Manager shall have the authority to issue interpretations and to make amendments to this Agreement, including amendments that commit additional funds, consistent with Section 28 "Amendment" and the City Manager's contracting authority under the Hemet Municipal Code.

SECTION 27. BINDING EFFECT.

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

SECTION 28. AMENDMENT.

No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Design Professional and by the City. The City Manager shall have the authority to approve any amendment to this Agreement if the total compensation under this Agreement, as amended, would not exceed the City Manager's contracting authority under the Hemet Municipal Code. All other amendments shall be approved by the City Council. The Parties agree that the requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 29. WAIVER.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Design Professional shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 30. LAW TO GOVERN; VENUE.

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Riverside, California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

SECTION 31. ATTORNEYS FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing Party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 32. ENTIRE AGREEMENT.

This Agreement, including the attached Exhibits "A" through "E", is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Design Professional and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid and binding.

SECTION 33. SEVERABILITY.

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 34. CONFLICTING TERMS.

Except as otherwise stated herein, if the terms of this Agreement conflict with the terms of any Exhibit hereto, or with the terms of any document incorporated by reference into this Agreement, the terms of this Agreement shall control.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY OF HEMET

Gary Thornhill,
Interim City Manager

ATTEST:

Sarah McComas
City Clerk

APPROVED AS TO FORM

Eric S. Vail
City Attorney

Engineering Resources of Southern California

By: 

John M. Brudin

Its: President

By: 

Moe Ahmadi

Its: Vice President

NOTE: DESIGN PROFESSIONAL'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DESIGN PROFESSIONAL'S BUSINESS ENTITY.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

On October 13, 2015
before me, Pamela Weatherly, a Notary Public
personally appeared John M Brudin and Moe Ahmadi

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature of Notary Public (handwritten signature)

OPTIONAL

Though this section is optional, completing this information can deter alternation of the document or fraudulent reattachment of this form to an unintended document.

Table with 2 columns: CAPACIT(IES) CLAIMED BY SIGNER(S) and DESCRIPTION OF ATTACHED DOCUMENT. Includes fields for Signer's Name, Title(s), Description, Number of Pages, Date of Document, and Signer(s) Other Than Named Above.

A notary public or other officer completing this certificate verifies only the identity of the individual who

signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

On _____, 2015,
before me, _____,
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")
personally appeared _____,
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alternation of the document or fraudulent reattachment of this form to an unintended document.

CAPACIT(IES) CLAIMED BY SIGNER(S)

DESCRIPTION OF ATTACHED DOCUMENT

Signer's Name: _____

- .. Individual
.. Corporate Officer

Title(s)
.. Partner(s) .. Limited
.. General
.. Attorney-In-Fact
.. Trustee(s)
.. Guardian/Conservator
.. Other: _____

Title or Type of Document

Number Of Pages

Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

EXHIBIT "A"
SCOPE OF SERVICES

I. Design Professional will perform the following Services:

A. Design Professional shall assist City staff with on-call engineering services for projects including, but not limited to, Water Distribution/Storage, Water Treatment, Wastewater Collection, and Stormwater Conveyance/Treatment Infrastructure Improvements.

B. Engineering services may include, but are not limited to:

(1) Planning and Preliminary Design – Involves studying the problem, determining alternate solutions, outlining the basic concept, making preliminary cost estimates, establishing project feasibility, and performing an analysis of alternatives and providing recommendations, and related environmental services

(2) Final Design – Includes design, field work, preparation of construction documents and cost estimate, preparation of construction bid documents, as well as submittal to all regulating agencies, including local and county jurisdictions, and agencies overseeing waste handling

(3) Construction – May involve construction staking, managing the hiring of a contractor, surveillance and inspection of the contractor's work during construction, review of contractor's progress payment requests, and other matters required to assist the City in the construction phase

II. Schedule of Performance

A. Work will be completed on an as-needed basis. The amount of time to complete each project will vary depending on the scope of the project.

B. The City shall request specific services on a project-by-project basis through the use of a Project Task Order. Such Project Task Order shall be of the general form attached hereto and incorporated herein as Exhibit "E." Design Professional shall provide a detailed proposal including scope of services, schedule and cost for services for each Project Task Order.

C. The Design Professional shall not proceed with any services under this Agreement without a written Project Task Order (Exhibit "E"), which has been approved by the City and the Design Professional.

III. Design Professional will utilize the following subcontractors to accomplish the Services:

- A. Aragón Geotechnical, Inc. – Geotechnical Services
- B. The Prizm Group – Land Surveying Support Services

EXHIBIT "B" COMPENSATION

I. Design Professional shall use the following rates of pay in the performance of the Services:

A Design Professional shall submit a Proposal for each project that the City requests to be performed under this Agreement. City will either approve or disapprove each Proposal. City's approval shall be evidenced by the Project Task Order executed by both parties. Such Task Order shall be of the general form attached hereto and incorporated herein as Exhibit "E." Finalized Project Task Orders shall be numbered sequentially starting with number one (1) and must reference this Agreement. Each Project Task Order will become a part of this Agreement.

(1) Design Professional understands, accepts and agrees that City has entered into multiple professional services agreements with other Design Professionals and has the authority to assign work tasks at its sole discretion.

(2) Design Professional understands, accepts and agrees that the City makes no minimum guarantees with regard to the amount of services, if any, Design Professional may be extended under this Agreement.

B. Each Project Task Order amount shall be based on the scope of services for a particular Project and will be based on the hourly billing rates included in the Standard List of Rates, attached hereto as Exhibit "D", incorporated herein and made part of this agreement

C. The hourly billing rates subject to this agreement are effective from the date of execution to June 30, 2016. For the second and third year of this agreement, the billing rate for each position listed on the Standard List of Rates shall be adjusted July 1 of each year. The adjustment shall be based on the increase or decrease of the United States Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U), US City Average (<http://www.bls.gov/CPI/>), or its successor report issued by the Federal Government covering the change for the year ending in March as follows:

1) The second term July 1, 2016, to June 30, 2017, adjusted for the CPI-U US City Average Percent Change year ending March 31, 2016.

2) The third term July 1, 2017, to June 30, 2018, adjusted for the CPI-U US City Average Percent Change year ending March 31, 2017.

3) The fourth term July 1, 2018 to June 30, 2019, adjusted for the CPI-U US City Average Percent Change year ending March 31, 2018.

D. The City may, at its sole discretion, accept or reject any proposed change in Standard List of Rates beyond the scope of adjustments described in this section.

II. Design Professional may utilize subcontractors as indicated in this Agreement.

III. The total compensation for the Services shall not exceed \$60,000 as provided in Section 4 "Compensation and Method of Payment" of this Agreement.

EXHIBIT "C" INSURANCE

A. Insurance Requirements. Design Professional shall provide and maintain insurance, acceptable to the City, in full force and effect throughout the term of this Agreement, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services by Design Professional, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Design Professional shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Design Professional shall maintain professional liability insurance appropriate to the Design Professional's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to Services performed under this Agreement. The insurance must be maintained for at least three (3) consecutive years following the completion of Design Professional's services or the termination of this Agreement. During this additional three (3) year period, Design Professional shall annually and upon request of the City submit written evidence of this continuous coverage.

2. Minimum Limits of Insurance. Design Professional shall maintain limits of professional liability insurance no less than \$1,000,000 per occurrence.

B. Other Provisions. Each insurance policy required by this Agreement shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either Party to this Agreement, reduced in coverage or in limits except after 30 days' prior written notice by certified mail, return receipt requested, has been given to City.

C. Other Requirements. Design Professional agrees to deposit with City, at or before the effective date of this contract, certificates of insurance necessary to satisfy City that the insurance provisions of this contract have been complied with. The City Attorney may require that Design Professional furnish City with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. Design Professional shall furnish certificates and endorsements from each subcontractor identical to those Design Professional provides.

2. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Design Professional shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit Design Professional's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.

EXHIBIT "D"
STANDARD LIST OF RATES

Engineering Resources of Southern California, Inc.

SCHEDULE OF HOURLY BILLING RATES

EFFECTIVE JULY 1, 2015 - JUNE 30, 2015

PRINCIPAL/PRESIDENT	\$185.00	PRINCIPAL PLANNER	\$130.00
PRINCIPAL/VICE PRESIDENT	175.00	SENIOR PLANNER	110.00
SENIOR PRINCIPAL ENGINEER	165.00		
PRINCIPAL ENGINEER	155.00		
ENGINEER V	130.00		
ENGINEER IV	110.00	EXECUTIVE SECRETARY ...	65.00
ENGINEER III	105.00	SECRETARY	55.00
ENGINEER II	90.00		
ENGINEER I	75.00		
SENIOR ENGINEERING TECHNICIAN	\$115.00	ENGINEERING AIDE II	\$ 45.00
ENGINEERING TECHNICIAN II	95.00	ENGINEERING AIDE I	35.00
ENGINEERING TECHNICIAN I	75.00		
ENGINEERING TECHNICIAN	55.00		

CONSTRUCTION MANAGER	2.6 x DIRECT SALARY
RESIDENT ENGINEER	2.6 x DIRECT SALARY
SENIOR INSPECTOR	2.6 x DIRECT SALARY
INSPECTOR	2.6 x DIRECT SALARY

MILEAGE	\$0.65/MILE
DIRECT COST	COST + 20%

TESTIMONY UNDER OATH WILL BE BILLED AT \$350 PER HOUR
WITH A FOUR (4) HOUR MINIMUM

3550 East Florida Avenue, Suite B., Hemet CA 92544

EXHIBIT "E"
PROJECT TASK ORDER FOR ENGINEERING SERVICES



City of Hemet
PROJECT TASK ORDER
FOR ENGINEERING SERVICES

Task Order No.		Purchase Order No.	
Date of Contract:			
Design Professional:			

The Design Professional is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

Project Description
Scope of Services
See attached proposal.

Fee - Dollar Amount of Task Order: *Not to exceed \$*

Completion Date:

The undersigned Design Professional hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

City of Hemet

<Name of Design Professional Firm>

Dated: _____

Dated: _____

By: _____

By: _____

Title: _____

Title: _____

EXHIBIT "E"
PROJECT TASK ORDER FOR ENGINEERING SERVICES

PROJECT TASK ORDER PROCESS
FOR MASTER DESIGN PROFESSIONAL SERVICES AGREEMENT

These instructions outline the process for assigning tasks to Design Professionals that are under a Master Design Professional Services Agreement.

A Master Design Professional Services Agreement has a Not-To-Exceed amount (Cap) for the entire term of the agreement. However, a purchase order is generated for only one fiscal year at a time.

When the City decides to assign a task to a Design Professional, a Project Task Order for Engineering Services is completed and sent to the Design Professional. Project Task Orders are numbered sequentially.

The City and the Design Professional negotiate and agree to a fee and a completion date. Once the negotiations are complete, the Design Professional signs and dates the Project Task Order form and returns it to the City with a detailed Scope of Services and a fee estimate based on the Standard List of Rates (Exhibit "D" of the agreement).

The City signs the Project Task Order and provides a fully executed copy to the Design Professional to authorize them to begin work.

All invoicing for this task should reference this agreement, the Project Task Order Number and Purchase Order Number.

DESIGN PROFESSIONAL SERVICES AGREEMENT

FOR ON-CALL ENGINEERING SERVICES

By and Between

**THE CITY OF HEMET,
a municipal corporation**

and

**ALBERT A. WEBB ASSOCIATES,
a California corporation**

**AGREEMENT FOR DESIGN PROFESSIONAL SERVICES
BETWEEN
THE CITY OF HEMET, CALIFORNIA
AND
ALBERT A. WEBB ASSOCIATES**

This Agreement for Design Professional Services ("Agreement") is entered into as of this 27th day of October, 2015 by and between the City of Hemet, a municipal corporation ("City") and **Albert A. Webb Associates** ("Design Professional"). City and Design Professional are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

A. City has sought, by **request for qualifications** the performance of the **on-call engineering** services defined and described particularly in Section 2 of this Agreement.

B. Design Professional, following submission of a **proposal** for the performance of the services defined and described particularly in Section 2 of this Agreement, was selected by the City to perform those services.

C. Design Professional was selected by the City on the basis of Design Professional's demonstrated competence and the professional qualifications necessary for the satisfactory performance of the services required.

D. Pursuant to the City of Hemet's Municipal Code, City has authority to enter into this Design Professional Services Agreement.

E. The Parties desire to formalize the selection of Design Professional for performance of those services defined and described particularly in Section 2 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained here and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of Section 20 "Termination of Agreement" of this Agreement, the Term of this Agreement is for **36 months** commencing on the date first ascribed above.

SECTION 2. SCOPE OF SERVICES & SCHEDULE OF PERFORMANCE.

(a) Scope of Services. Design Professional agrees to perform the services set forth in Exhibit "A" "Scope of Services" (hereinafter, the "Services") and made a part of this Agreement by this reference.

(b) Schedule of Performance. The Services shall be completed pursuant to the schedule specified in Exhibit "A." Should the Services not be completed pursuant to that schedule, the Design Professional shall be deemed to be in Default of this Agreement. The City, in its sole discretion, may choose not to enforce the Default provisions of this Agreement and may instead allow Design Professional to continue performing the Services.

SECTION 3. ADDITIONAL SERVICES.

Design Professional shall not be compensated for any work rendered in connection with its performance of this Agreement that are in addition to or outside of the Services unless such additional services are authorized in advance and in writing in accordance with Section 26 "Administration and Implementation" or Section 28 "Amendment" of this Agreement. If and when such additional work is authorized, such additional work shall be deemed to be part of the Services.

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this Agreement, City agrees to pay Design Professional the amounts specified in Exhibit "B" "Compensation" and made a part of this Agreement by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed **sixty thousand dollars (\$60,000)**, unless additional compensation is approved in writing in accordance with Section 26 "Administration and Implementation" or Section 28 "Amendment" of this Agreement.

(b) Each month Design Professional shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-Design Professional contracts. Sub-Design Professional charges shall be detailed by the following categories: labor, travel, materials, equipment and supplies. If the compensation set forth in subsection (a) and Exhibit "B" include payment of labor on an hourly basis (as opposed to labor and materials being paid as a lump sum), the labor category in each invoice shall include detailed descriptions of task performed and the amount of time incurred for or allocated to that task. City shall independently review each invoice submitted by the Design Professional to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Design Professional for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by Design Professional which are disputed by City, City will use its best efforts to cause Design Professional to be paid within forty-five (45) days of receipt of Design Professional's correct and undisputed invoice.

(d) Payment to Design Professional for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Design Professional.

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

City may inspect and accept or reject any of Design Professional's work under this Agreement, either during performance or when completed. City shall reject or finally accept Design Professional's work within sixty (60) days after submitted to City. City shall reject work by a timely written explanation, otherwise Design Professional's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of Design Professional's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Section 16 "Indemnification" and Section 17 "Insurance."

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Design Professional in the course of providing the Services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Design Professional. Upon completion, expiration or termination of this Agreement, Design Professional shall turn over to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

If and to the extent that City utilizes for any purpose not related to this Agreement any maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents prepared, developed or discovered by Design Professional in the course of providing the Services pursuant to this Agreement, Design Professional's guarantees and warranties in Section 9 "Standard of Performance" of this Agreement shall not extend to such use of the maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents.

SECTION 7. DESIGN PROFESSIONAL'S BOOKS AND RECORDS.

(a) Design Professional shall maintain any and all documents and records demonstrating or relating to Design Professional's performance of the Services. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work,

services, expenditures and disbursements charged to City pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Design Professional pursuant to this Agreement. Any and all such documents or records shall be maintained for three (3) years from the date of execution of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon request by City or its designated representative. Copies of such documents or records shall be provided directly to the City for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Design Professional's address indicated for receipt of notices in this Agreement.

(c) Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Design Professional's business, City may, by written request, require that custody of such documents or records be given to the City. Access to such documents and records shall be granted to City, as well as to its successors-in-interest and authorized representatives.

SECTION 8. INDEPENDENT CONTRACTOR.

(a) Design Professional is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Design Professional shall have no authority to bind City in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

(b) The personnel performing the Services under this Agreement on behalf of Design Professional shall at all times be under Design Professional's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Design Professional or any of Design Professional's officers, employees, or agents except as set forth in this Agreement. Design Professional shall not at any time or in any manner represent that Design Professional or any of Design Professional's officers, employees, or agents are in any manner officials, officers, employees or agents of City.

(c) Neither Design Professional, nor any of Design Professional's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Design Professional expressly waives any claim Design Professional may have to any such rights.

SECTION 9. STANDARD OF PERFORMANCE.

Design Professional represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the Services required under this Agreement in a thorough, competent and professional manner. Design Professional shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all Services. In meeting its obligations under this Agreement, Design Professional shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to the Services required of Design Professional under this Agreement, and shall use such skill, prudence, and diligence as other members of Design Professional's profession commonly possess and exercise. In addition to the general standards of performance set forth this section, additional specific standards of performance and performance criteria may be set forth in Exhibit "A" "Scope of Work" that shall also be applicable to Design Professionals work under this Agreement. Where there is a conflict between a general and a specific standard of performance or performance criteria, the specific standard or criteria shall prevail over the general.

SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

Design Professional shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Design Professional shall obtain any and all licenses, permits and authorizations necessary to perform the Services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Design Professional to comply with this section.

SECTION 11. PREVAILING WAGE LAWS.

It is the understanding of City and Design Professional that California prevailing wage laws do not apply to this Agreement because the Agreement does not involve any of the following services subject to prevailing wage rates pursuant to the California Labor Code or regulations promulgated thereunder: Construction, alteration, demolition, installation, or repair work performed on public buildings, facilities, streets or sewers done under contract and paid for in whole or in part out of public funds. In this context, "construction" includes work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work.

SECTION 12. NONDISCRIMINATION.

Design Professional shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this Agreement.

SECTION 13. UNAUTHORIZED ALIENS.

Design Professional hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Design Professional so employ such unauthorized aliens for the performance of the Services, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Design Professional hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

SECTION 14. CONFLICTS OF INTEREST.

(a) Design Professional covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Design Professional's performance of the Services. Design Professional further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Design Professional agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

(b) City understands and acknowledges that Design Professional is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Design Professional is unaware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

(c) City understands and acknowledges that Design Professional will, perform non-related services for other governmental agencies and private parties following the completion of the Services under this Agreement. Any such future service shall not be considered a conflict of interest for purposes of this section.

SECTION 15. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained or work product produced by Design Professional in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Design Professional. Design Professional shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

(b) Design Professional, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order

shall not be considered "voluntary" provided Design Professional gives City notice of such court order or subpoena.

(c) If Design Professional, or any officer, employee, agent or subcontractor of Design Professional, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Design Professional for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Design Professional's conduct.

(d) Design Professional shall promptly notify City should Design Professional, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Design Professional or be present at any deposition, hearing or similar proceeding. Design Professional agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Design Professional. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

SECTION 16. INDEMNIFICATION.

(a) Indemnification by Design Professional. As provided under Civil Code Section 2782.8, Design Professional shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all claims, actions and proceedings (whether at law or equity, administrative or judicial), demands, orders, judgments, losses, liabilities, damages, costs and expenses, including attorney's fees and costs, (collectively "Claims") to the extent same arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design Professional, its officers, agents, employees or sub-consultants (or any entity or individual that Design Professional shall bear the legal liability thereof) in the performance of professional services under this Agreement, with the understanding that in the event Claims are found by the trier of fact to have been caused by the joint or concurrent negligence of the City and its contractors and Design Professionals, and Design Professional, damages and expenses from both indemnity and duty to defend obligations shall be borne by each party in proportion to its negligence.

(b) Indemnification from Sub-consultants. Design Professional agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub-consultant, sub-contractor or any other person or entity involved by, for, with or on behalf of Design Professional in the performance of this Agreement naming the Indemnified Parties as additional indemnitees. In the event Design Professional fails to obtain such indemnity obligations from others as required here, Design Professional agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no

additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth herein is binding on the successors, assigns or heirs of Design Professional and shall survive the termination of this Agreement or this section.

(c) City's Negligence. The provisions of this section do not apply to Claims occurring as a result of City's sole negligence. The provisions of this section shall not release City from liability arising from gross negligence or willful acts or omissions of City or any and all of its officials, employees and agents.

SECTION 17. INSURANCE.

Design Professional agrees to obtain and maintain in full force and effect during the term of this Agreement the insurance policies set forth in Exhibit "C" "Insurance" and made a part of this Agreement. All insurance policies shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. Design Professional agrees to provide City with copies of required policies upon request.

SECTION 18. ASSIGNMENT.

The expertise and experience of Design Professional are material considerations for this Agreement. City has an interest in the qualifications and capability of the persons and entities who will fulfill the duties and obligations imposed upon Design Professional under this Agreement. In recognition of that interest, Design Professional shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Design Professional's duties or obligations under this Agreement without the prior written consent of the City. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling City to any and all remedies at law or in equity, including termination of this Agreement pursuant to Section 20 "Termination of Agreement." City acknowledges, however, that Design Professional, in the performance of its duties pursuant to this Agreement, may utilize subcontractors.

SECTION 19. CONTINUITY OF PERSONNEL.

Design Professional shall make every reasonable effort to maintain the stability and continuity of Design Professional's staff and subcontractors, if any, assigned to perform the Services. Design Professional shall notify City of any changes in Design Professional's staff and subcontractors, if any, assigned to perform the Services prior to and during any such performance.

SECTION 20. TERMINATION OF AGREEMENT.

(a) City may terminate this Agreement, with or without cause, at any time by giving thirty (30) days written notice of termination to Design Professional. In the event such notice is given, Design Professional shall cease immediately all work in progress.

(b) Design Professional may terminate this Agreement for cause at any time upon thirty (30) days written notice of termination to City.

(c) If either Design Professional or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Design Professional, or City may terminate this Agreement immediately upon written notice.

(d) Upon termination of this Agreement by either Design Professional or City, all property belonging exclusively to City which is in Design Professional's possession shall be returned to City. Design Professional shall furnish to City a final invoice for work performed and expenses incurred by Design Professional, prepared as set forth in Section 4 of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 4 "Compensation and Method of Payment" of this Agreement.

SECTION 21. DEFAULT.

In the event that Design Professional is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Design Professional for any work performed after the date of default. Instead, the City may give notice to Design Professional of the default and the reasons for the default. The notice shall include the timeframe in which Design Professional may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Design Professional is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Design Professional does not cure the default, the City may take necessary steps to terminate this Agreement under Section 20. Any failure on the part of the City to give notice of the Design Professional's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

SECTION 22. EXCUSABLE DELAYS.

Design Professional shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of Design Professional. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of City, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this Agreement shall be equitably adjusted for any delays due to such causes.

SECTION 23. COOPERATION BY CITY.

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the

Services shall be furnished to Design Professional in every reasonable way to facilitate, without undue delay, the Services to be performed under this Agreement.

SECTION 24. NOTICES.

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: City of Hemet
Attn: City Manager
445 E. Florida Avenue
Hemet, CA 92543

To Design Professional: Albert A. Webb Associates
Attn: William T. Malone
3788 McCray Street
Riverside, CA 92506

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 25. AUTHORITY TO EXECUTE.

The person or persons executing this Agreement on behalf of Design Professional represents and warrants that he/she/they has/have the authority to so execute this Agreement and to bind Design Professional to the performance of its obligations hereunder.

SECTION 26. ADMINISTRATION AND IMPLEMENTATION.

This Agreement shall be administered and executed by the City Manager or his or her designated representative. The City Manager shall have the authority to issue interpretations and to make amendments to this Agreement, including amendments that commit additional funds, consistent with Section 28 "Amendment" and the City Manager's contracting authority under the Hemet Municipal Code.

SECTION 27. BINDING EFFECT.

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

SECTION 28. AMENDMENT.

No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Design Professional and by the City. The City Manager shall have the authority to approve any amendment to this Agreement if the total compensation under this Agreement, as amended, would not exceed the City Manager's contracting authority under the Hemet Municipal Code. All other amendments shall be approved by the City Council. The Parties agree that the requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 29. WAIVER.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Design Professional shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 30. LAW TO GOVERN; VENUE.

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Riverside, California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

SECTION 31. ATTORNEYS FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing Party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 32. ENTIRE AGREEMENT.

This Agreement, including the attached Exhibits "A" through "E", is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Design Professional and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid and binding.

SECTION 33. SEVERABILITY.

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 34. CONFLICTING TERMS.

Except as otherwise stated herein, if the terms of this Agreement conflict with the terms of any Exhibit hereto, or with the terms of any document incorporated by reference into this Agreement, the terms of this Agreement shall control.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY OF HEMET

Gary Thornhill
Interim City Manager

ATTEST:

Sarah McComas
City Clerk

APPROVED AS TO FORM

Eric S. Vail
City Attorney

ALBERT A. WEBB ASSOCIATES

By: William T. Malone
William T. Malone
Its: Vice President

By: Bruce A. Davis
Bruce A. Davis
Its: Senior Vice President

NOTE: DESIGN PROFESSIONAL'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DESIGN PROFESSIONAL'S BUSINESS ENTITY.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

On October 7th, 2015

before me, Deborah C. May, Notary Public
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

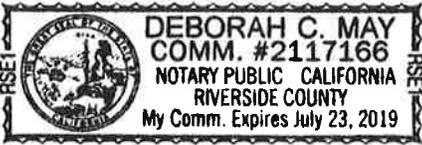
personally appeared William T. Malone
Name of Signer

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Deborah C. May
Signature of Notary Public



OPTIONAL

Though this section is optional, completing this information can deter alternation of the document or fraudulent reattachment of this form to an unintended document.

CAPACIT(IES) CLAIMED BY SIGNER(S)

DESCRIPTION OF ATTACHED DOCUMENT

Signer's Name:

- Individual
Corporate Officer

Title(s)

Title or Type of Document

- Partner(s)
Limited
General

Number Of Pages

- Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:

Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

A notary public or other officer completing this certificate verifies only the identity of the individual who

signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

On October 12th, 2015

before me, Deborah C. May, Notary Public

Date

Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

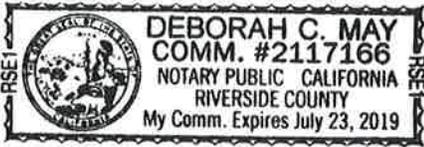
personally appeared Bruce A. Davis

Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Handwritten signature of Deborah C. May
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alternation of the document or fraudulent reattachment of this form to an unintended document.

CAPACIT(IES) CLAIMED BY SIGNER(S)

DESCRIPTION OF ATTACHED DOCUMENT

Signer's Name:

- Individual
Corporate Officer

Title(s)

Title or Type of Document

- Partner(s)
Limited
General

Number Of Pages

- Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:

Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

EXHIBIT "A"
SCOPE OF SERVICES

I. Design Professional will perform the following Services:

A. Design Professional shall assist City staff with on-call engineering services for projects including, but not limited to, Water Distribution/Storage, Water Treatment, Wastewater Collection, and Stormwater Conveyance/Treatment Infrastructure Improvements.

B. Engineering services may include, but are not limited to:

(1) Planning and Preliminary Design – Involves studying the problem, determining alternate solutions, outlining the basic concept, making preliminary cost estimates, establishing project feasibility, and performing an analysis of alternatives and providing recommendations, and related environmental services

(2) Final Design – Includes design, field work, preparation of construction documents and cost estimate, preparation of construction bid documents, as well as submittal to all regulating agencies, including local and county jurisdictions, and agencies overseeing waste handling

(3) Construction – May involve construction staking, managing the hiring of a contractor, surveillance and inspection of the contractor's work during construction, review of contractor's progress payment requests, and other matters required to assist the City in the construction phase

II. Schedule of Performance

A. Work will be completed on an as-needed basis. The amount of time to complete each project will vary depending on the scope of the project.

B. The City shall request specific services on a project-by-project basis through the use of a Project Task Order. Such Project Task Order shall be of the general form attached hereto and incorporated herein as Exhibit "E." Design Professional shall provide a detailed proposal including scope of services, schedule and cost for services for each Project Task Order.

C. The Design Professional shall not proceed with any services under this Agreement without a written Project Task Order (Exhibit "E"), which has been approved by the City and the Design Professional.

EXHIBIT "B" COMPENSATION

I. Design Professional shall use the following rates of pay in the performance of the Services:

A Design Professional shall submit a Proposal for each project that the City requests to be performed under this Agreement. City will either approve or disapprove each Proposal. City's approval shall be evidenced by the Project Task Order executed by both parties. Such Task Order shall be of the general form attached hereto and incorporated herein as Exhibit "E." Finalized Project Task Orders shall be numbered sequentially starting with number one (1) and must reference this Agreement. Each Project Task Order will become a part of this Agreement.

(1) Design Professional understands, accepts and agrees that City has entered into multiple professional services agreements with other Design Professionals and has the authority to assign work tasks at its sole discretion.

(2) Design Professional understands, accepts and agrees that the City makes no minimum guarantees with regard to the amount of services, if any, Design Professional may be extended under this Agreement.

B. Each Project Task Order amount shall be based on the scope of services for a particular Project and will be based on the hourly billing rates included in the Standard List of Rates, attached hereto as Exhibit "D", incorporated herein and made part of this agreement

C. The hourly billing rates subject to this agreement are effective from the date of execution to June 30, 2016. For the second and third year of this agreement, the billing rate for each position listed on the Standard List of Rates shall be adjusted July 1 of each year. The adjustment shall be based on the increase or decrease of the United States Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U), US City Average (<http://www.bls.gov/CPI/>), or its successor report issued by the Federal Government covering the change for the year ending in March as follows:

1) The second term July 1, 2016, to June 30, 2017, adjusted for the CPI-U US City Average Percent Change year ending March 31, 2016.

2) The third term July 1, 2017, to June 30, 2018, adjusted for the CPI-U US City Average Percent Change year ending March 31, 2017.

3) The fourth term July 1, 2018 to June 30, 2019, adjusted for the CPI-U US City Average Percent Change year ending March 31, 2018.

D. The City may, at its sole discretion, accept or reject any proposed change in Standard List of Rates beyond the scope of adjustments described in this section.

II. Design Professional may utilize subcontractors as indicated in this Agreement.

III. The total compensation for the Services shall not exceed \$60,000 as provided in Section 4 "Compensation and Method of Payment" of this Agreement.

EXHIBIT "C" INSURANCE

A. Insurance Requirements. Design Professional shall provide and maintain insurance, acceptable to the City, in full force and effect throughout the term of this Agreement, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services by Design Professional, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Design Professional shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Design Professional shall maintain professional liability insurance appropriate to the Design Professional's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to Services performed under this Agreement. The insurance must be maintained for at least three (3) consecutive years following the completion of Design Professional's services or the termination of this Agreement. During this additional three (3) year period, Design Professional shall annually and upon request of the City submit written evidence of this continuous coverage.

2. Minimum Limits of Insurance. Design Professional shall maintain limits of professional liability insurance no less than \$1,000,000 per occurrence.

B. Other Provisions. Each insurance policy required by this Agreement shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either Party to this Agreement, reduced in coverage or in limits except after 30 days' prior written notice by certified mail, return receipt requested, has been given to City.

C. Other Requirements. Design Professional agrees to deposit with City, at or before the effective date of this contract, certificates of insurance necessary to satisfy City that the insurance provisions of this contract have been complied with. The City Attorney may require that Design Professional furnish City with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. Design Professional shall furnish certificates and endorsements from each subcontractor identical to those Design Professional provides.

2. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Design Professional shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit Design Professional's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.

EXHIBIT "D" STANDARD LIST OF RATES

E. COST SCHEDULE

Albert A. Webb Associates (WEBB) is committed to providing the highest quality service to the City of Hemet (City) and to the "on time" delivery of all aspects of your important projects. We have included all the necessary items services to perform any task required to successfully complete any project for the City. We have enclosed the current hourly fee schedule for the City's review.

The rate schedule on the following page shall remain in effect throughout the first year (July 1, 2015 - June 30, 2016). For the second and third year, the billing rate for each position listed on the rate schedule shall be adjusted based on the following July 1 of each year and based on annual inflation and cost of living adjustments as defined in the SOQ.

The three main components impacting our cost effectiveness are defining and managing our scope, schedule and budget or each project for the City.

Scope Management

Our scope includes performing the major items requested in the City's project specific RFP. A more detailed Work Breakdown Structure (WBS) is included in our scope proposal and will be utilized for the project duration with detailed tasks. With input from the City, the scope will be finalized and adopted for the overall project. During the execution of the project, the scope will be utilized as a baseline by our Project Manager, who will manage the scope and work product. If potential changes are identified as the project develops, our Project Manager will work with the City to clarify and approve any additional tasks necessary to complete the project.

Schedule Management

A preliminary schedule will be prepared, provided, and discussed. In collaboration with the City, the project schedule and milestones will be evaluated and modifications will be made to set the final baseline schedule. The baseline schedule will be monitored and tracked by our Project Manager to maintain the project milestones and manage critical path items. A tracking schedule will be provided with monthly updates and all schedule variances identified. Actions required to correct schedule deviations will be developed and implemented by the team. The project schedule is an effective management tool when developed and maintained to guide the design team through the tasks required to successfully complete a project.

Cost/Budget Management Plan

The proposed project budget will be prepared based on the project RFP requirements and detailed scope and schedule. Our project manager will track the final budget compared to the actual earned value, task completion, and cost-to-date, and will identify any project cost variance monthly. Corrective actions will be taken to maintain the project budget. If changes to the scope and budget are deemed necessary, our project manager will work with the City to justify the need and clearly define the impacts.



Corporate Headquarters
 3788 McCray Street
 Riverside, CA 92506
 T: 951.686.1070

FEE SCHEDULE

<u>CLASSIFICATION</u>	<u>RATES</u> <u>\$/HOUR</u>
<u>Engineers/Project Managers/Planners/Scientists/</u>	
<u>Assessment/Special Tax Consultants/Landscape Architects/Designers</u>	
Principal II	240.00
Principal I	220.00
Senior III	200.00
Senior II	190.00
Senior I	180.00
Associate III	170.00
Associate II	155.00
Associate I	145.00
Assistant V	130.00
Assistant IV	120.00
Assistant III	103.00
Assistant II	88.00
Assistant I	73.00
 <u>Survey Services</u>	
2-Person Survey Party.....	220.00
1-Person Survey Party.....	160.00
 <u>Inspection Services</u>	
Inspector (Non-Prevailing Wage).....	110.00
Inspector (Prevailing Wage).....	120.00
 <u>Administrative Services</u>	
Project Coordinator.....	90.00
Administrative Assistant III	80.00
Administrative Assistant II	70.00
Administrative Assistant I	55.00
 <u>Other Direct Expenses</u>	
Incidental Charges.....	Cost + 15%
Postage.....	Cost
Special Consultant	325.00/Hour
Subcontracted Services.....	Cost + 15%
Survey/Inspection Per Diem.....	100.00/Day
Survey/Inspection Vehicle.....	0.81/Mile
Mileage.....	0.72/Mile

NOTE: All rates are subject to change based on annual inflation and cost of living adjustments.

**A FINANCE CHARGE of 1 ¼ % per month (18% per year) will be added to any unpaid amount commencing thirty (30) days from invoice date. A mechanic's lien may be filed for any invoice remaining unpaid after thirty (30) days from invoice date.*

EXHIBIT "E"
PROJECT TASK ORDER FOR ENGINEERING SERVICES



City of Hemet
TASK ORDER FOR ENGINEERING SERVICES

Task Order No.		Purchase Order No.	
Date of Contract:			
Design Professional:			

The Design Professional is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

Project Description
Scope of Services
See attached proposal.

Fee - Dollar Amount of Task Order: <i>Not to exceed \$</i>

Completion Date:	
-------------------------	--

The undersigned Design Professional hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

City of Hemet

<Name of Design Professional Firm>

Dated: _____

Dated: _____

By: _____

By: _____

Title: _____

Title: _____

EXHIBIT "E"
PROJECT TASK ORDER FOR ENGINEERING SERVICES

PROJECT TASK ORDER PROCESS
FOR MASTER DESIGN PROFESSIONAL SERVICES AGREEMENT

These instructions outline the process for assigning tasks to Design Professionals that are under a Master Design Professional Services Agreement.

A Master Design Professional Services Agreement has a Not-To-Exceed amount (Cap) for the entire term of the agreement. However, a purchase order is generated for only one fiscal year at a time.

When the City decides to assign a task to a Design Professional, a Project Task Order for Engineering Services is completed and sent to the Design Professional. Project Task Orders are numbered sequentially.

The City and the Design Professional negotiate and agree to a fee and a completion date. Once the negotiations are complete, the Design Professional signs and dates the Project Task Order form and returns it to the City with a detailed Scope of Services and a fee estimate based on the Standard List of Rates (Exhibit "D" of the agreement).

The City signs the Project Task Order and provides a fully executed copy to the Design Professional to authorize them to begin work.

All invoicing for this task should reference this agreement, the Project Task Order Number and Purchase Order Number.



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Scott Brown, Fire Chief;
Gary Thornhill, Interim City Manager

DATE: October 27, 2015

Subject: Third Amendment to Agreement for Services between the City of Hemet and CSG Consultants, Inc., for Plan Review, Inspection and Code Services.

RECOMMENDED ACTION:

- Approve the Third Amendment to the Agreement for Services with CSG, Consultants, Inc. for plan review inspection and code services extending the term to June 30, 2016 and increasing the total compensation by \$37,500; and
- Authorize the City Manager to execute the Third Amendment and administer the Agreement on behalf of the City.

BACKGROUND:

The City of Hemet Fire/EMS Services Department contracts for the provisions of fire/ life safety inspection services, including but not limited to plan review, inspection and code services as well as weed abatement inspection services. One contract Fire Inspector supports this effort two days a week (Tues/Thursday). The extension of the contract agreement with CSG will enable staff to assess current and future workload requirements, as well as ensuring adequate capacity to meet current service delivery requirements. Concurrently, the extension will afford staff the opportunity to conduct a comprehensive RFP process to select a future contractor at the conclusion of the extension period.

Analysis:

This Third Amendment amends the Agreement to further extend the term to June 30, 2016, increase the total compensation by \$37,500, and eliminate travel charges to the City. During FY 2014/15 CSG was utilized for approximately 20 hours per week. Current FY year-to-date inspection and plan check activity have increased resulting in the need to increase inspection related capacity, In addition to the original scope of work encompassing plan check and fire inspection activities, additional activities including parcel inspections were added as part of the original scope of services contract.

CONSISTENCY WITH ADOPTED GOALS, PLANS, AND PROGRAMS:

The use of CSG Consultants is consistent with the City Council goal for Fire Prevention and Weed Abatement Services.

- Minimize fire related property damage through cost effective fire prevention/ risk reduction strategies such as weed abatement;
- Complete 100% of scheduled new development/ new business inspections.

FISCAL IMPACT:

There is adequate appropriation budgeted within the Fire/EMS Services Department Fiscal Year 2015/16 operating budget to fund the extension of the inspections services contract through June 30, 2016.

Respectfully submitted,

Approved as to form:

Fiscal Review:



Scott Brown
Fire Chief



Eric S. Vail
City Attorney



Jessica Hurst
Deputy City Manager/
Admin Services

Attachment: Third Amendment to Agreement for Services - CSG Consultants

**THIRD AMENDMENT TO
AGREEMENT FOR SERVICES**

by and between

the

CITY OF HEMET

and

CSG CONSULTANTS, INC.

Dated _____, 2015

THIRD AMENDMENT TO AGREEMENT FOR SERVICES

This Third Amendment to Agreement for Services ("Third Amendment"), which is dated for reference as indicated on the cover page, is hereby entered into by and between the CITY OF HEMET, a California general law city ("City"), and CSG Consultants, Inc., a California corporation ("Service Provider"), as follows:

RECITALS

- A. City and Service Provider entered in an agreement for services on July 1, 2014 ("Agreement"). The Agreement provides that Service Provider will perform plan review, inspection and code services.
- B. On April 23, 2015, the City and Service Provider entered into a First Amendment to the Agreement to include an hourly rate for weed abatement inspection services.
- C. On July 28, 2015, City and Service Provider entered into a Second Amendment to the Agreement to extend the term of the Agreement from June 30, 2015 to October 31, 2015, and to increase the total compensation by \$25,000 from \$91,000 to \$116,000.
- D. This Third Amendment amends the Agreement to further extend the term to June 30, 2016, increase the total compensation by \$37,500, and eliminate travel charges to the City.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises made and recited herein, the parties do hereby enter into this Third Amendment which modifies and amends the Agreement as follows:

1. **AMENDMENT**. The Agreement is hereby modified and amended as follows:

- 1.1 **SECTION 1**. Section 1 of the Agreement is hereby amended to read as follows:

"Subject to the provisions of Section 20 "Termination of Agreement" of this Agreement, the Term of this Agreement commences on the date this Agreement is fully executed and shall expire on June 30, 2016."

- 1.2 **SECTION 4(A)**. Section 4(a) of the Agreement is hereby amended to read as follows:

"(a) Subject to any limitations set forth in this Agreement, City agrees to pay Service Provider the amounts specified in Exhibit "B" "Compensation" and made a part of this Agreement by this reference. The total compensation, including reimbursement for actual expenses, shall not

exceed One Hundred Fifty-Three Thousand Five Hundred dollars (\$153,500), unless additional compensation is approved in writing in accordance with Section 26 "Administration and Implementation" or Section 28 "Amendment" of this Agreement."

1.3 **EXHIBIT "B"**. Exhibit "B" to the Agreement is hereby amended as follows:

1.3.1 Paragraph IV is amended to read:

"IV. The total compensation for the Services shall not exceed \$153,500, as provided in Section 4 "Compensation and Method of Payment" of this Agreement."

1.3.2 Paragraph I is amended to read:

"I. Service Provider shall use the following rates of pay in the performance of the Services:

A. Plan review, inspection, code services: \$87.50 hourly

Service Provider shall not charge for travel time associated with the performance of the Services."

2. GENERAL PROVISIONS.

2.1 **Remainder Unchanged.** Except as specifically modified and amended in this Third Amendment, the Agreement remains in full force and effect and binding upon the parties.

2.2 **Integration.** This Third Amendment consists of pages 1 through 4 inclusive, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this Third Amendment.

2.3 **Effective Date.** This Third Amendment shall not become effective until the date it has been formally approved by the City Council and executed by the appropriate authorities of the City and Service Provider.

2.4 **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Third Amendment.

2.5 **References.** All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this Third Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this Third Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to the Agreement on the date and year Third written above.

CITY:

THE CITY OF HEMET

By: _____
Gary Thornhill, Interim City Manager

ATTEST:

Sarah McComas, City Clerk

APPROVED AS TO FORM

Eric S. Vail, City Attorney

SERVICE PROVIDER:

CSG CONSULTANTS, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Steven Latino, Engineering Director/City Engineer
Gary Thornhill, Interim City Manager

DATE: August 25, 2015

RE: Traffic and Parking Commission Meeting Recommendations

ITEM #1 - 1121 West Acacia Avenue

BACKGROUND:

Mr. George Willis and Mrs. Brenda Willis submitted a letter request regarding the block wall at the subject property being struck by a vehicle on three separate occasions during a one-year period. Mr. & Mrs. Willis' location is at the top of the "TEE" intersection of Hamilton Avenue and Acacia Avenue. The street is relatively barren, carries low traffic volumes, and is controlled by a "STOP" sign on Hamilton Avenue.

ANALYSIS:

Mr. & Mrs. Willis' letter included pictures of the intersection as well as the block wall. Staff reviewed traffic collision database for this location, and none of the collisions were noted in the City's database.

Staff has visited the site several times in regards to this request. During the site visits, it was noted that a very similar condition exists just to the west at the intersection of Elk Street and Acacia Avenue. Both of these locations should be treated the same as they are nearly identical.

Upon review of the California Manual on Uniform Traffic Control Devices (CAMUTCD), additional signage could be placed to draw attention to the "STOP" sign as well as the terminus of the road at Acacia Avenue. A standard industry practice for this type of intersection is to place a "STOP AHEAD" warning sign (W3-1), a Large Double Yellow Arrow Sign (W1-7) and Type N-1 (CA) (OM1-3) marker. It was noted by staff that this is used in several locations within the City already.

RECOMMENDED ACTION:

City staff recommends that a "STOP AHEAD" warning sign (W3-1) as well as the Large Double Yellow Arrow Sign (W1-7) and Type N-1 (CA) (OM1-3) be installed at the intersections of Acacia Avenue and Hamilton Avenue as well as Acacia Avenue and Elk Street. (See Attachment #1 for sign placement)

FISCAL IMPACT:

No impact to the General Fund. The work for this item will be performed by City forces, and will be funded by the existing operating budget in the Gas Tax Fund No. 221-4200-2450.

Item #2 - Kirby Street at Garland Way

BACKGROUND:

Mr. Jack Smith and Mrs. Melissa Smith submitted a letter request for a stop sign on Kirby Street at Garland Way. Mr. & Mrs. Smith residence is located at the southeast corner of this intersection and stated that their block wall has been hit several times in the last 10 years.

ANALYSIS:

Just north of the intersection, Kirby Street crosses a flood control channel as well as has an at-grade rail crossing. Kirby Street was constructed with a series of 500-foot radius curves, which is consistent with a design speed of 35 MPH. Kirby is currently posted at 35 MPH and is consistent with the speed survey conducted on June 10, 2014.

The Smiths request for a stop sign is to control speed at this location. Placing of stop signs is not used to control speed, but rather to provide clear direction on rights-of-way and/or to correct accidents that may be correctable by a stop sign.

Staff review the collision data base and two collisions were reported at this location. (Report 14-1105 and 15-4166). Neither of these collisions would have been correctable by a stop sign (one was a DUI, the other hit the median heading northbound); however, additional signage for southbound may help to emphasize the curve. Currently, there is a reverse curve sign (W1-4) in both the northbound and southbound directions, but only chevron alignment signs (W1-8) in the northbound direction.

RECOMMENDED ACTION:

City staff recommends installation of two chevron alignment signs (W1-8) for the southbound direction.

FISCAL IMPACT:

No impact to the General Fund. The work for this item will be performed by City forces, and will be funded by the existing operating budget in the Gas Tax Fund No. 221-4200-2450.

Item #3 - Berkley Street at Soboba Avenue

BACKGROUND:

Mr. Vince Talamantez has made a request for a stop sign at the intersection of Soboba Avenue and Berkley Street to address concerns of speeding along Soboba Avenue. Mr. Talamantez sited that he has witnessed speeding after dark, and feels that vehicles are traveling in excess of 70 MPH.

ANALYSIS:

Staff responded to Mr. Talamantez’s email to describe the proper use of a stop sign. Placement of stop signs is not used to control speed, but rather to provide clear direction on rights-of-way and/or to correct accidents that may be correctable by a stop sign.

Staff reviewed the speed survey for Soboba Avenue along this section of roadway. The survey was conducted in July of 2014. The 85th percentile speed was 47 MPH, and the speed limit was set at 40 MPH. The survey showed the range of speeds observed were between 27 MPH and 51 MPH.

Staff also reviewed the traffic collision database for this intersection. Only two collisions were reported at this location, one in 2013 and one in 2015. The 2015 involved a person driving under the influence; however, it was noted that both collisions involved a vehicle heading northbound and a vehicle heading westbound.

At this time, the City does not have a standard for corner sight distance; however, based on staff’s past experience, it is recommended that for the time the City of Ontario standard drawing be used (see Attachment #2 - City of Ontario Standard Drawing No. 1309 for Corner Sight Distance). Staff visited the site, and used the standard as applicable for the intersection geometry on Monday September 28, 2015. It was noted that when traveling westbound on Berkley Street, the sight distance appears to be less than what is proposed by the attached standard.

RECOMMENDED ACTION:

City staff recommends that staff contact the resident located at the southeast corner of Berkley and Soboba (680 N. Soboba Street) to have the hedges removed within the public street right-of-way up to their driveway and along Berkley Avenue as well as trimming their tree in order to adequately meet sight distance standards (see Attachment #3). The City has 11-feet of right-of-way behind the curb face at this location, in which the hedges are currently located.

FISCAL IMPACT:

No impact to the General Fund.

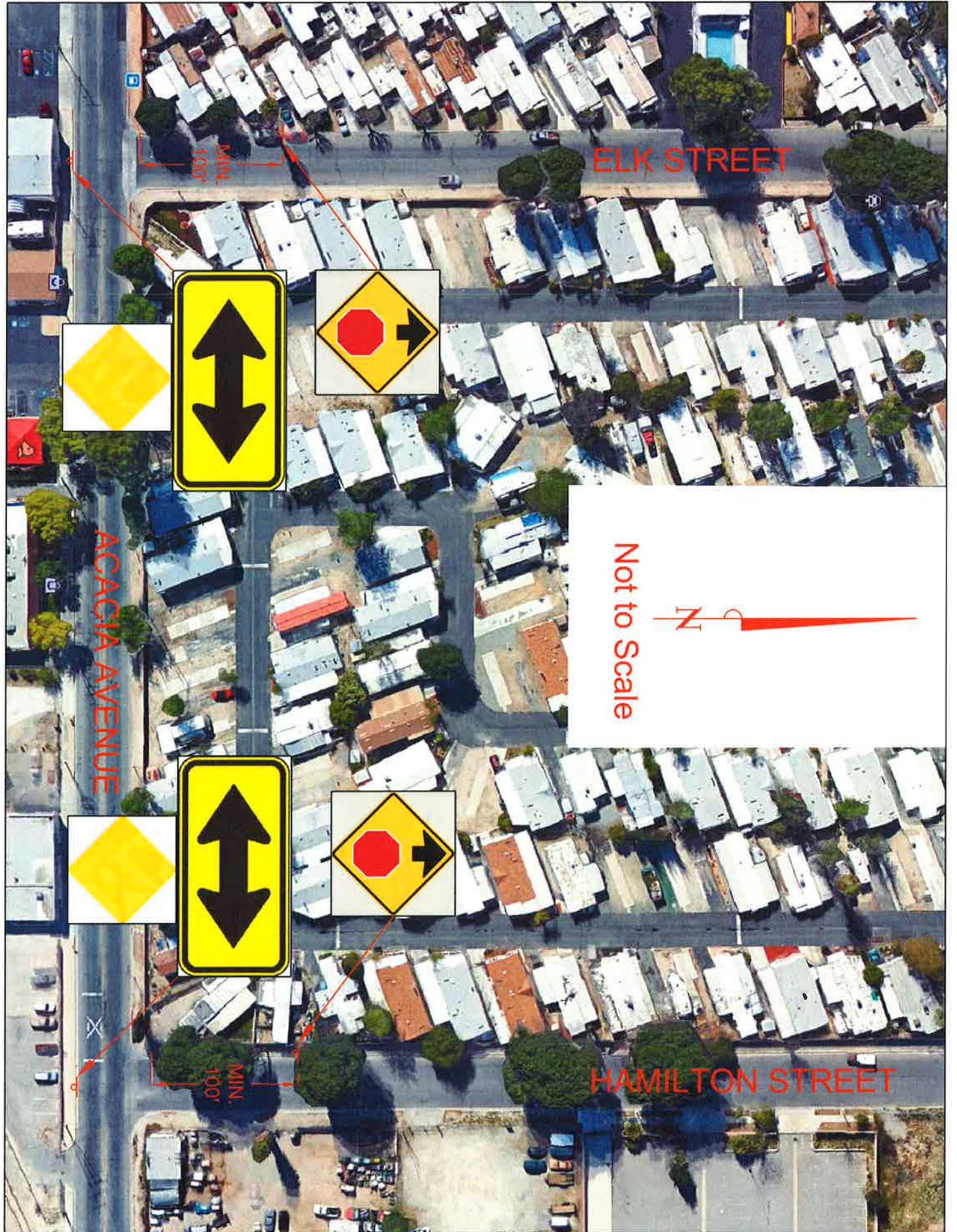
Respectfully submitted,



Steven Latino
Engineering Director/City Engineer

Attachment(s): Attachment #1 – Hamilton – Elk Sign Placement
Attachment #2 – City of Ontario Sight Distance Standard
Attachment #3 – Berkley/Soboba Sight Distance Graphic

Attachment #1 – Hamilton – Elk Sign Placement



ELK STREET

ACACIA AVENUE

HAMILTON STREET

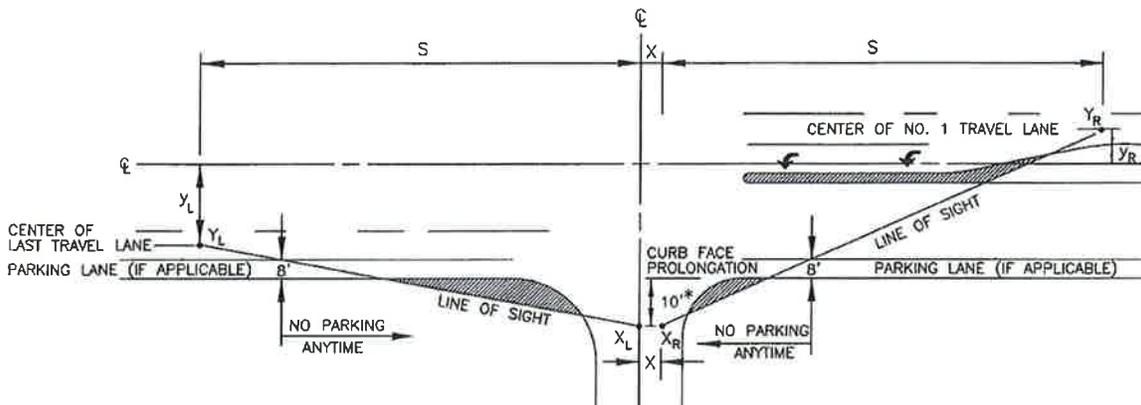
Not to Scale



MIN.
100'

MIN.
100'

Attachment #2 – City of Ontario Sight Distance Standard



▨ - LIMITED USE AREA (LUA)

- S = STOPPING SIGHT DISTANCE
- Y_L, Y_R = LEFT AND/OR RIGHT OBJECT POINT DRIVER MUST SEE
- X_L, X_R = POINT WHERE THE DRIVER'S EYE IS LOCATED
- X = DISTANCE FROM C TO CENTER OF FURTHEST TRAVEL LANE TO ESTABLISH X_R
 - ON SINGLE LANE APPROACHES, $x=0$ AND $X_L = X_R$ (BOTH ON C)
 - X_L ALWAYS ON C
- Y_L = DISTANCE FROM C TO OBJECT AT CENTER OF LAST (OR FURTHEST) TRAVEL LANE
- Y_R = DISTANCE FROM C TO OBJECT AT CENTER OF NO. 1 TRAVEL LANE

* THE 10-FOOT DISTANCE FROM THE CURB FACE PROLONGATION TO POINTS X_L AND X_R CAN VARY FROM 0 FEET TO 10 FEET TAKING INTO CONSIDERATION ADJOINING LAND USES AND OTHER ENVIRONMENTAL CONDITIONS WHILE APPLYING SOUND ENGINEERING JUDGMENT.

DESIGN SPEED (MPH)	S**
	Level
25	150'
30	200'
35	250'
40	300'
45	360'
50	430'
55	500'

**BASED ON CALTRANS HIGHWAY DESIGN MANUAL.

NOTES

1. THE LIMITED USE AREA IS DETERMINED BY THE GRAPHICAL METHOD USING THE APPROPRIATE DISTANCES GIVEN IN THE TABLE. IT SHALL BE USED FOR THE PURPOSE OF PROHIBITING OR CLEARING OBSTRUCTIONS IN ORDER TO MAINTAIN ADEQUATE SIGHT DISTANCE AT INTERSECTIONS.
2. THE LINE OF SIGHT SHALL BE SHOWN AT INTERSECTIONS ON ALL LANDSCAPING PLANS, GRADING PLANS AND TENTATIVE TRACT MAPS WHERE SAFE SIGHT DISTANCE IS QUESTIONABLE. IN CASES WHERE AN INTERSECTION IS LOCATED ON A VERTICAL CURVE, A PROFILE OF THE SIGHT LINE MAY BE REQUIRED.
3. WALLS, SLOPES OR ANY OBSTRUCTIONS THAT COULD RESTRICT THE VIEW WITHIN THE LIMITED USE AREA WILL NOT BE PERMITTED.
4. THE LIMITED USE AREA SHALL BE AS LEVEL AS POSSIBLE YET MAINTAIN PROPER DRAINAGE.
5. LANDSCAPING SHALL BE PER STD. DWG. 1109.



APPROVED BY:		44485 2.3.15	
<i>Louis A. Bi-Younes</i>		RCE	DATE
RECOMMENDED BY:		2013 2/2/15	
<i>Tom Danna</i>		TE	DATE
REV	DESCRIPTION	BY	APP'D DATE

CITY OF ONTARIO

INTERSECTION
STOPPING SIGHT
DISTANCE

STANDARD
DRAWING
NUMBER

1309

Attachment #3 – Berkley/Soboba Sight Distance Graphic





Successor Agency

TO: Successor Agency Board: the Honorable Mayor and City Council

FROM: Gary Thornhill, Interim City Manager *GT*
 Jessica A. Hurst, Deputy City Manager/Administrative Services Director

DATE: October 27, 2015

SUBJECT: Resolution Bill No. 15-057 Accepting the Transfer of Property from the City of Hemet to the Successor Agency to the Former Hemet Redevelopment Agency.

RECOMMENDATION:

That the Successor Agency to the Former Hemet Redevelopment Agency ("Successor Agency") approve Resolution Bill No. 15-057 accepting the transfer of the property located at 154 South Santa Fe Street ("Property") from the City of Hemet ("City") in order to sell it, as indicated by the Successor Agency's Long-Range Property Management Plan ("LRPMP").

BACKGROUND:

Pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Former Hemet Redevelopment Agency ("Former Agency") during the wind-down process of the Former Agency's activities.

At the time of redevelopment dissolution, the Property was one of 14 properties purchased and technically owned by the Former Agency, all of which were included in the LRPMP. The LRPMP was prepared pursuant to the Dissolution Act and described the proposed plans for disposition of the properties owned by the Former Agency. The LRPMP, which was approved by the State Department of Finance ("DOF") on February 21, 2014, indicated that the Successor Agency would sell the Property.

The Successor Agency is now interested in selling the Property. However, according to a Chicago Title Company Preliminary Report generated on September 2, 2015, the City is the owner of record for the Property. In order to correct the Property title and sell the Property, the City must formally transfer the Property to the Successor Agency.

DISCUSSION / ANALYSIS:

Accepting the transfer of the Property is important because the Successor Agency must sell the property, as indicated in its LRPMP. However, the Successor Agency must be the owner of record on the Property before the Property can be sold. Transferring the Property is necessary for the Successor Agency to assume ownership of the Property, at which point it can be freely

sold, thus complying with the LRPMP.

FISCAL IMPACT:

Accepting the transfer of Property will not have a fiscal impact, as it will simply be the transfer of property from the City to the Successor Agency. The true fiscal impact will come when the property is sold. At the time of the Property sale, the City will receive a portion of the sale proceeds (after real estate commission is paid) equal to its share of the 1% general property tax levy, estimated at approximately 18% or \$900.

ALTERNATIVE(S):

The Successor Agency may choose not to accept the transfer of the Property from the City. However, it is important to note that State law requires the sale of this property pursuant to the LRPMP. Chicago Title has indicated that the Property cannot be sold until the Successor Agency is the owner of record on title.

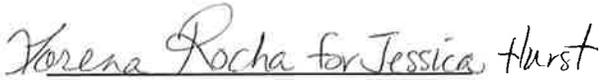
CONCLUSION:

That the Successor Agency consider the proposed Resolution Bill No.15 – 057 accepting the transfer of 154 South Santa Fe Street from the City of Hemet in order to sell it, as indicated by the Successor Agency's Long-Range Property Management Plan.

ATTACHMENT(S):

1. Draft Resolution Bill No. 15-057

Recommended by:



Jessica Hurst
Deputy City Manager/
Administrative Services Director

Approved By:



Gary Thornhill
Interim City Manager



1
2
3
4 **SUCCESSOR AGENCY TO THE FORMER HEMET REDEVELOPMENT AGENCY**

5 **Hemet, California**

6 **RESOLUTION BILL NO. 15-057**

7
8 **A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER HEMET**
9 **REDEVELOPMENT AGENCY ACCEPTING THE TRANSFER OF PROPERTY**
10 **FROM THE CITY OF HEMET TO THE SUCCESSOR AGENCY TO THE**
11 **FORMER HEMET REDEVELOPMENT AGENCY**

12
13 **WHEREAS**, Pursuant to Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and
14 ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26,
15 Statutes of 2012) (altogether, "Dissolution Act"), the Former Hemet Redevelopment Agency
16 ("Former Agency") has been dissolved and no longer exists as a public body, corporate and
17 politic, and the City of Hemet ("City") adopted Resolution No. 2012-08-2547 on January 11,
18 2012, electing to serve as the Successor Agency to the Former Hemet Redevelopment Agency
19 ("Successor Agency"); and

20
21 **WHEREAS**, certain property located in the City of Hemet, identified as 154 South Santa
22 Fe Street ("Property") was purchased by the Former Agency and is considered a Former
23 Agency asset which was transferred to the Successor Agency upon dissolution; and

24
25 **WHEREAS**, according to a Chicago Title Company Preliminary Report generated on
26 September 2, 2015, the City is the owner of record for the Property; and

27
28 **WHEREAS**, the City wishes to formally transfer the Property to the Successor Agency to
29 establish the Successor Agency as the correct owner of record for the Property; and

1 **WHEREAS**, the Successor Agency prepared a Long-Range Property Management Plan
2 (“LRPMP”), as required by the California Health and Safety Code; and

3
4 **WHEREAS**, the State Department of Finance (“DOF”) approved the LRPMP on
5 February 21, 204; and

6
7 **WHEREAS**, the LRPMP indicated that the Successor Agency would sell the Property;
8 and

9
10 **WHEREAS**, in order to sell the Property, the Successor Agency must be established as
11 the owner of record for the Property; and

12
13 **WHEREAS**, transfer of the Property is subject to review and approval by the Oversight
14 Board of the Successor Agency to the Former Hemet Redevelopment Agency (“Oversight
15 Board”) and DOF.

16
17 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the
18 Successor Agency to the Former Hemet Redevelopment Agency, in regular session
19 assembled October 27, 2015 as follows:

- 20 1. That the Successor Agency hereby finds and declares that the above recitals are true
21 and correct.
- 22 2. The Successor Agency hereby accepts the transfer of the property identified as 154
23 South Santa Fe Street from the City of Hemet, contingent upon Oversight Board review
24 and approval.
- 25 3. The Successor Agency recommends that the Oversight Board review the transfer of 154
26 South Santa Fe Street from the City of Hemet to the Successor Agency and concur with
27 acceptance of the property.

1 4. The Successor Agency Executive Director is authorized and directed to execute all
2 documents necessary for the transfer of the property upon approval by the Oversight
3 Board and the State Department of Finance.
4

5 **PASSED, APPROVED, AND ADOPTED** this 27th day of October 2015.
6

7 _____
8 **Linda Krupa, Mayor**
9

10
11 **ATTEST:**
12

APPROVED AS TO FORM:
13

14 _____
15 **Sarah McComas, City Clerk**
16

17 _____
18 **Eric S. Vail, City Attorney**
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State of California)
County of Riverside)
City of Hemet)

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the Successor Agency to the Former Hemet Redevelopment Agency and was passed at a regular meeting of the Successor Agency on the 27th day of October 2015 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Successor Agency

TO: Successor Agency Board: the Honorable Mayor and City Council

FROM: Gary Thornhill, Interim City Manager *[Signature]*
 Jessica A. Hurst, Deputy City Manager/Administrative Services Director

DATE: October 27, 2015

SUBJECT: Resolution Bill No. 15-058 Recommending that the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency Accept a Purchase Offer from Dr. Jorge Larrondo for the Acquisition of 154 South Santa Fe Street

RECOMMENDATION:

That the Successor Agency to the Former Hemet Redevelopment Agency ("Successor Agency") recommends that the Oversight Board to the Successor Agency to the Former Hemet Redevelopment Agency ("Oversight Board") accept a purchase offer from Dr. Jorge Larrondo for the acquisition of the Property located at 154 South Santa Fe Street ("Property") for the proposed price of \$5,000.

BACKGROUND:

Pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Hemet ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Former Hemet Redevelopment Agency ("Former Agency") during the wind-down process of the Former Agency's activities.

At the time of redevelopment dissolution, the Property was one of 14 properties owned by the Former Agency, all of which were included in the Successor Agency's Long-Range Property Management Plan ("LRPMP"). The LRPMP was prepared pursuant to the Dissolution Act and described the proposed plans for disposition of the properties owned by the Former Agency. The LRPMP, which was approved by the State Department of Finance ("DOF") on February 21, 2014, indicated that the Successor Agency would sell the Property.

DISCUSSION / ANALYSIS:

The Successor Agency marketed the Property and received one offer to purchase from Dr. Jorge Larrondo ("Purchaser") for the price of \$5,000. The Property is adjacent to the Purchaser's business, and the Successor Agency expects that he would like to acquire it to continue providing parking for his business.

The property is currently a 0.11-acre parking lot. The City acquired it on August 1, 1996 to provide parking for Santa Fe Field, a nearby park. It now also provides parking for nearby businesses.

The proposed offer, reviewed by the Successor Agency's attorney, is attached as Exhibit A for the Successor Agency's consideration. If the Successor Agency accepts the offer, it will be presented to the Oversight Board and DOF for review and approval.

FISCAL IMPACT:

The Purchaser is offering to buy the Property for \$5,000. At the time of the Property sale, the City will receive a portion of the sale proceeds (after real estate commission is paid) equal to its share of the 1% general property tax levy, estimated at approximately 18% or \$900.

ALTERNATIVE(S):

The Successor Agency may choose not to recommend the Oversight Board to accept the offer to purchase 154 South Santa Fe Street. This alternative could influence the Oversight Board to deny the offer. The Successor Agency would then need to continue marketing the property until they receive an offer that the Oversight Board accepts.

CONCLUSION:

That the Successor Agency consider the proposed Resolution Bill No.15 – 058 recommending the Oversight Board to accept the Purchaser's Offer to Purchase the Property, located at 154 South Santa Fe Street, for \$5,000.

ATTACHMENT(S):

1. Draft Resolution Bill No. 15-058
2. Exhibit A – Purchase Offer

Recommended by:



Jessica Hurst
Deputy City Manager/
Administrative Services Director

Approved By:



Gary Thornhill
Interim City Manager



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4 **SUCCESSOR AGENCY TO THE FORMER HEMET REDEVELOPMENT AGENCY**

5 **Hemet, California**

6 **RESOLUTION BILL NO. 15-058**

7
8 **A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER HEMET**
9 **REDEVELOPMENT AGENCY RECOMMENDING THAT THE OVERSIGHT**
10 **BOARD OF THE SUCCESSOR AGENCY TO THE FORMER HEMET**
11 **REDEVELOPMENT AGENCY ACCEPT A PURCHASE OFFER FROM DR.**
12 **JORGE LARRONDO FOR THE ACQUISITION OF 154 SOUTH SANTA FE**
13 **STREET**

14
15 **WHEREAS**, Pursuant to Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and
16 ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26,
17 Statutes of 2012) (altogether, "Dissolution Act"), the Former Hemet Redevelopment Agency
18 ("Former Agency") has been dissolved and no longer exists as a public body, corporate and
19 politic, and the City of Hemet ("City") adopted Resolution No. 2012-08-2547 on January 11,
20 2012, electing to serve as the Successor Agency to the Former Hemet Redevelopment Agency
21 ("Successor Agency"); and

22
23 **WHEREAS**, the property located at 154 South Santa Fe Street ("Property") was included
24 in the Successor Agency's Long-Range Property Management Plan ("LRPMP"), which was
25 prepared pursuant to the Dissolution Act and described the proposed plans for disposition of all
26 14 properties owned by the Former Agency at the time of redevelopment dissolution; and

27
28 **WHEREAS**, the LRPMP indicated that the Successor Agency would sell the Property;
29 and

1 **WHEREAS**, on February 21, 2014, the City received notification from the California
2 Department of Finance (“DOF”) approving the Successor Agency’s LRPMP; and

3
4 **WHEREAS**, on December 10, 2014, the Successor Agency began marketing properties
5 available for sale as outlined in the LRPMP; and

6
7 **WHEREAS**, the Successor Agency received an offer in August 2015 from Dr. Jorge
8 Larrondo to purchase the Property for \$5,000; and

9
10 **WHEREAS**, the Successor Agency believes that Dr. Larrondo’s offer reflects fair market
11 value for the Property as the Property has been offered on the open market for several months
12 without other offers and wishes to accept the offer; and

13
14 **WHEREAS**, the Property is being disposed of in a manner that is consistent with the
15 approved LRPMP; and

16
17 **WHEREAS**, the sale of the Property is subject to review and approval by the Oversight
18 Board of the Successor Agency to the Former Hemet Redevelopment Agency (“Oversight
19 Board”) and DOF.

20
21 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the
22 Successor Agency to the Former Hemet Redevelopment Agency, in regular session
23 assembled October 27, 2015 as follows:

- 24 1. That the Successor Agency hereby finds and declares that the above recitals are true
25 and correct.
- 26 2. The Successor Agency hereby recommends that the Oversight Board accept Dr. Jorge
27 Larrondo’s offer to acquire the Property located at 154 South Santa Fe Street for the
28 proposed price of \$5,000.

1 3. The Successor Agency Executive Director is authorized and directed to execute all
2 documents necessary for the sale and transfer of the property upon approval by the
3 Oversight Board and the State Department of Finance.

4
5
6 **PASSED, APPROVED, AND ADOPTED** this 27th day of October, 2015.

7
8 _____
9 **Linda Krupa, Mayor**

10 **ATTEST:**

APPROVED AS TO FORM:

11
12 _____
13 **Sarah McComas, City Clerk**

12 _____
13 **Eric S. Vail, City Attorney**

1 State of California)
2 County of Riverside)
3 City of Hemet)
4

5 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing
6 Resolution is the actual Resolution adopted by the Successor Agency to the Former Hemet
7 Redevelopment Agency and was passed at a regular meeting of the Successor Agency on the
8 27th day of October 2015 by the following vote:

9

10 AYES:

11 NOES:

12 ABSTAIN:

13 ABSENT:
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Sarah McComas, City Clerk

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CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

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

No. one

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 August 20, 2015, on property known as Hemet, 154 South Santa Fe (apn 445262031)

in which Jorge Larrondo, Michelle Larrondo is referred to as ("Buyer/Tenant") and Hemet Successor Agency, executive director is referred to as ("Seller/Landlord").

The sale is contingent upon review by the Successor Agency's legal counsel, and review and approval by the Oversight Board to the Successor Agency and the State Department of Finance. Escrow to close February 12, 2016 or earlier if possible.

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

Date _____

Date _____

Buyer/Tenant Jorge Larrondo

Seller/Landlord Hemet Successor Agency, executive director

Buyer/Tenant Michelle Larrondo

Seller/Landlord _____

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ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by _____ Date _____



ADDENDUM (ADM PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form VLPA, Revised 11/14)

Date Prepared: August 20, 2015

1. OFFER:

- A. THIS IS AN OFFER FROM Jorge Larrondo, Michelle Larrondo ("Buyer").
B. THE REAL PROPERTY to be acquired is 154 South Santa Fe (apn 445262031) Hemet (City), Riverside (County), California, (Zip Code), Assessor's Parcel No. (Property).
C. THE PURCHASE PRICE offered is Five Thousand Dollars \$ 5,000.00
D. CLOSE OF ESCROW shall occur on February 12, 2016 (date) or Days After Acceptance.
E. Buyer and Seller are referred to herein as this "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a Disclosure Regarding Real Estate Agency Relationships (C.A.R. Form AD).
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction: Listing Agent HomeStar Real Estate Services Inc (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller. Selling Agent HomeStar Real Estate Services Inc (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.
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a Possible Representation of More than One Buyer or Seller - Disclosure and Consent (C.A.R. Form PRBS).

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 \$ 1,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other BUSINESS CHECK within 3 business days after Acceptance (or)

- OR (2) Buyer Deposit with Agent: 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 within 3 business days after Acceptance (or). Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ within Days After Acceptance (or). If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

- C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA) subject to financing, 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 Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing 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) FHAVA: For any FHA or VA loan specified in 3D(1), 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 agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

E. ADDITIONAL FINANCING TERMS:

Buyer's Initials () () Seller's Initials () ()

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 1 OF 11)



Property Address: 154 South Santa Fe (apn 445202031), Hemet,

Date: August 20, 2015

F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 4,000.00
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. PURCHASE PRICE (TOTAL): \$ 5,000.00

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or ___) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (Verification attached.)

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or ___) Days After Acceptance.

J. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 3 (or ___) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's 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 paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

Within 21 (or ___) Days After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) NO LOAN CONTINGENCY: 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.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. SELLER FINANCING: The following terms (or the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or _____) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) TERMS: Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or _____) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. ASSUMED OR "SUBJECT TO" FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

Buyer's Initials (_____) (_____)
VLPA REVISED 11/14 (PAGE 2 OF 11)

Seller's Initials (_____) (_____)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 2 OF 11)



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. MANUFACTURED HOME PURCHASE: The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer has has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (or this contingency shall remain in effect until the Close Of Escrow of the Property).

6. CONSTRUCTION LOAN FINANCING: The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan will will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or this contingency shall remain in effect until Close Of Escrow of the Property).

7. ADDENDA AND ADVISORIES:

A. ADDENDA:

- Addendum # _____ (C.A.R. Form ADM)
- Back Up Offer Addendum (C.A.R. Form BUO) Court Confirmation Addendum (C.A.R. Form CCA)
- Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
- Short Sale Addendum (C.A.R. Form SSA) Other _____

B. BUYER AND SELLER ADVISORIES:

- 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)
- Short Sale Information and Advisory (C.A.R. Form SSIA) Other _____

8. OTHER TERMS:

9. ALLOCATION OF COSTS

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: _____ prepared by _____
- (2) Buyer Seller shall pay for the following Report _____ prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____

B. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee 1/2 each
- (b) Escrow Holder shall be Hemet Escrow
- (c) The Parties shall, within 5 (or _____) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for owner's title Insurance policy specified in paragraph 18E
- (b) Owner's title policy to be issued by Chicago Title
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

C. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or fee _____
- (2) Buyer Seller shall pay City transfer tax or fee _____
- (3) Buyer Seller shall pay Homeowners' Association ("HOA") transfer fee _____
- (4) Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.
- (5) Buyer to pay for any HOA certification fee _____
- (6) Buyer Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (7) Buyer Seller shall pay for any private transfer fee _____
- (8) Buyer Seller shall pay for _____
- (9) Buyer Seller shall pay for _____

10. CLOSING AND POSSESSION: Possession shall be delivered to Buyer: (i) at 6 PM or (AM/ PM) on the date of Close Of Escrow; (ii) no later than _____ calendar days after Close Of Escrow; or (iii) at _____ AM/ PM on _____. The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is 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.

11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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 11B or C.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)



Property Address: 154 South Santa Fe (apn 445162031), Hemet,

Date: August 20, 2015

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) The following items: _____

- (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (4) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: _____

12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:

- A. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) 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; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. WITHHOLDING TAXES:** Within the time specified in paragraph 19A, 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).
- C. 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.)
- D. 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.
- E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
 - (1) 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).
 - (2) 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 HOA1): (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 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:

- A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:**
 - (1) LEGAL PROCEEDINGS: Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
 - (2) AGRICULTURAL USE: Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
 - (3) DEED RESTRICTIONS: Any deed restrictions or obligations.
 - (4) FARM USE: Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
 - (5) ENDANGERED SPECIES: Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
 - (6) ENVIRONMENTAL HAZARDS: Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
 - (7) COMMON WALLS: Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
 - (8) LANDLOCKED: The absence of legal or physical access to the Property.
 - (9) EASEMENTS/ENCROACHMENTS: Any encroachments, easements or similar matters that may affect the Property.
 - (10) SOIL FILL: Any fill (compacted or otherwise), or abandoned mining operations on the Property.
 - (11) SOIL PROBLEMS: Any slippage, sliding, flooding, drainage, grading, or other soil problems.
 - (12) EARTHQUAKE DAMAGE: Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
 - (13) ZONING ISSUES: Any zoning violations, non-conforming uses, or violations of "setback" requirements.
 - (14) NEIGHBORHOOD PROBLEMS: Any neighborhood noise problems, or other nuisances.
- B. RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C. TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

- D. **MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.
- E. **SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLQ).
- 14. **SUBSEQUENT DISCLOSURES:** 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 of which Buyer is otherwise unaware, 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 disclosed in reports ordered and paid for by Buyer.
- 15. **CHANGES DURING ESCROW:**
 - A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 19: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. At least 7 (or _____) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes.
- 16. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical 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 19A, 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 conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (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.
- 17. **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 19B. Within the time specified in paragraph 19B(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 except for minimally invasive testing; 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 19B, 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. **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 of Buyer's Investigations. 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 Non-responsibility" (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 or cancellation of this Agreement and Close Of Escrow.
- D. **BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**
- E. **SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY which have not been and will not be verified, and should not be relied upon by Buyer.)
- F. **ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

- G. **UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.
- H. **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, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. **GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. **NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. **PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- L. **NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), 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, abandoned mining operations on the Property, 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.
- M. **COMMON INTEREST SUBDIVISIONS; OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. **SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. **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.
- P. **MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.

18. TITLE AND VESTING:

- A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). 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 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- 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 for: (i) monetary liens of record (which Seller is obligated to pay off) 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 19A, 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", if applicable to the type of property and buyer. 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 shall pay any increase in cost.

19. 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 ___) Days After Acceptance** to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. **(1) BUYER HAS: 17 (or ___) Days After Acceptance**, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; review 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 Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
 - (2) Within the time specified in paragraph 19B(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 (C.A.R. Form RRRR) Buyer's requests.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

VLPA REVISED 11/14 (PAGE 6 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 6 OF 11)



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

- (3) By the end of the time specified in paragraph 19B(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 paragraph 19A, then Buyer has 5 (or ___) Days After Delivery of any such items, or the time specified in paragraph 19B(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 paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) 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 paragraph 19C(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 the return of Buyer's deposit, except for fees incurred by Buyer.
- (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; (v) Return Statutory Disclosures as required by paragraph 12A; or (vi) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party 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 or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.

E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, 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 the inability to obtain financing.

F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

G. 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, the Parties 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. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1067.3).

20. 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 invoices and paid 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 Invoices and paid receipts and statements to Buyer prior to final verification of condition.

21. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within 5 (or ___) 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 16; (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).

22. ENVIRONMENTAL HAZARD CONSULTATION: Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

VLPA REVISED 11/14 (PAGE 7 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 7 OF 11)



Property Address: 154 South Santa Fe (apn 445162031), Hemet,

Date: August 20, 2015

23. 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.

24. BROKERS:

A. 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.

B. SCOPE OF DUTY: 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 determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) 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.

25. REPRESENTATIVE CAPACITY: If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Addendum (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

26. 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: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 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, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). 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 and, as directed by Escrow Holder, within 3 (or ___) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.

B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). 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. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, 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.

D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all 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.

Buyer's Initials (_____) (_____)
VLPA REVISED 11/14 (PAGE 8 OF 11)

Seller's Initials (_____) (_____)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 8 OF 11)



Property Address: 154 South Santa Fe (apn 445267031), Hemet, Date: August 20, 2015

E. 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 3 Days after mutual execution of the amendment.

27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).**

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

28. DISPUTE RESOLUTION:

A. **MEDIATION:** The Parties 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 through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties 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 28C.**

B. **ARBITRATION OF DISPUTES:** The Parties 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. The Parties 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 28C.

"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 _____ / _____

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; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) 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; or (iii) the filing of a mechanic's lien.
- (3) **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.

29. 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.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

VLPA REVISED 11/14 (PAGE 9 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 9 OF 11)



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

- 30. **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.
- 31. **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 attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 28A.
- 32. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form A0AA).
- 33. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 34. **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 counteroffer 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 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.
- 35. **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.**
- 36. **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. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
 - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "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.
 - G. "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 11:59 PM on the final day.
 - H. "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.
 - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. "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 Party.
 - K. "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.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document. Copy or any counterpart.
- 37. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer 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 by _____ AM/ _____ PM, on _____ (date)).

One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD) for additional terms.

Date _____ BUYER
(Print name) Jorge Larrondo

Date _____ BUYER
(Print name) Michelle Larrondo

Additional Signature Addendum attached (C.A.R. Form ASA).

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

38. 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 and 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) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: _____

One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD) for additional terms.

Date _____ SELLER
(Print name) Hemet Successor Agency, executive director

Date _____ SELLER
(Print name) _____

Additional Signature Addendum attached (C.A.R. Form ASA).

(_____/_____) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____
(Initials) 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(2), 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, 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. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). 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) HomeStar Real Estate Services Inc CalBRE Lic. #01526273
 By David G. Hale CalBRE Lic. # 00551090 Date _____
 Address 610 E. Florida Ave City Hemet State Ca, Zip 92543
 Telephone (951)652-3000 Fax (951)643-4663 E-mail david@jndhale.com

Real Estate Broker (Listing Firm) HomeStar Real Estate Services Inc CalBRE Lic. #01526273
 By David G. Hale CalBRE Lic. # 00551090 Date _____
 Address 601 E. Florida Ave City Hemet State Ca, Zip 92543
 Telephone (951)652-3000 Fax (951)643-4663 E-mail david@jndhale.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (If checked, a deposit in the amount of \$ _____), counter offer numbers _____ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 26 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 _____

Escrow Holder Hemet Escrow Escrow # _____
By _____ Date _____
Address _____
Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____
 Department of Business Oversight, Department of Insurance, Bureau of Real Estate.

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
VLP A REVISED 11/14 (PAGE 11 OF 11)

Buyer's Acknowledge that page 10 is part of this Agreement (_____) (_____)

Reviewed by _____
Broker or Designee _____



VACANT LAND PURCHASE AGREEMENT (VLP A PAGE 11 OF 11)



CALIFORNIA ASSOCIATION OF REALTORS®

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

Seller _____ Hemet Successor Agency, executive director Date _____
Seller _____ Date _____

Buyer _____ Jorge Larrondo Date _____
Buyer _____ Michelle Larrondo Date _____

Real Estate Broker (Firm) HomeStar Real Estate Services Inc CalBRE Lic # 01526273 Date _____
By David G. Hale CalBRE Lic # 00551090 Date _____

Real Estate Broker (Firm) HomeStar Real Estate Services Inc CalBRE Lic # 01526273 Date _____
By David G. Hale CalBRE Lic # 00551090 Date _____

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Reviewed by _____ Date _____



PRBS 11/14 (PAGE 1 OF 1)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

SELLER VACANT LAND QUESTIONNAIRE (C.A.R. Form VLQ, 11/12)

- I. Seller makes the following disclosures with regard to the real property described as 154 South Santa Fe (apn 445262031) Assessor's Parcel No. Hemet, Riverside, California, ("Property").
II. The following are representations made by the Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker have not verified information provided by Seller.
III. Note to Seller: PURPOSE: To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
IV. Note to Buyer: PURPOSE: To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
V. SELLER AWARENESS: For each statement below, answer the question "Are you (Seller) aware of..." by checking either "Yes" or "No."

BOUNDARIES, ACCESS AND PROPERTY USE BY OTHERS:

ARE YOU (SELLER) AWARE OF...

- 1. Surveys, markers, stakes, pins or maps showing the location of the Property
2. Any unrecorded easement, encroachment or other dispute, maintenance or use agreement affecting access to, or the boundaries of, the Property
3. Use of the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways or other forms of ingress or egress, or other travel or drainage.
4. Leases, rental agreements, service contracts, licenses, permits or related agreements regarding use of the Property by others
5. Use of any neighboring property by you
6. The absence or limitation of legal or physical access to the Property

Explanation:

GEOLOGIC CONDITIONS AND ENVIRONMENTAL HAZARDS:

ARE YOU (SELLER) AWARE OF...

- 7. Fill (compacted or otherwise), soil instability, caves, mines, caverns, or slippage on the Property
8. Radon, methane or other gases, contaminated soil or water, hazardous waste, or waste disposal sites on the Property
9. Fuel, oil or chemical storage tanks above or underground
10. Past or present treatment or eradication of pests or odors.

Explanation:

Buyer's Initials (JL) (he)

[Redacted] ([Redacted]) ([Redacted])

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Reviewed by _____ Date _____

VLQ REVISED 11/12 (PAGE 1 OF 4)

SELLER VACANT LAND QUESTIONNAIRE (VLQ PAGE 1 OF 4)

Property Address: 154 South Santa Fe (apn 445242031), Hemet,

Date: August 20, 2015

GOVERNMENTAL:

ARE YOU (SELLER) AWARE OF...

- 11. Agricultural use restrictions pursuant to the Williamson Act or other law Yes No
- 12. Whether the Property is in or adjacent to an area with Right to Farm rights Yes No
- 13. Presence of any endangered, threatened, "candidate" species, wetlands, historic artifacts or human remains on the Property Yes No
- 14. Any protected habitat for plants, trees, animals or insects that apply to or could affect the Property Yes No
- 15. Conditions or laws that may affect the ability to place and/or use a manufactured home on the Property Yes No
- 16. Special taxes pursuant to the Mello-Roos Community Facilities Act, Improvement Bond Act of 1915 or other law Yes No
- 17. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that apply to or could affect the Property Yes No
- 18. Existence or pendency of any rent control, occupancy restrictions or retrofit requirements that apply to or could affect the Property Yes No
- 19. Existing or contemplated building or use moratorium that apply to or could affect the Property Yes No
- 20. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property Yes No
- 21. Proposed construction, reconfiguration, or closure of nearby government facilities or amenities such as schools, parks, roadways and traffic signals Yes No
- 22. Existing or proposed government requirements affecting the Property (i) that tall grass, brush or other vegetation be cleared; (ii) that restrict tree (or other landscaping) planting, removal or cutting, or (iii) that flammable materials be removed Yes No

Explanation: _____

WATER-RELATED ISSUES:

ARE YOU (SELLER) AWARE OF...

- 23. Standing water, flooding, pumps, underground water, or water-related soil settling or slippage on or affecting the Property Yes No
- 24. Rivers, streams, flood channels, underground springs, high water table, floods or tides on or affecting the Property Yes No

Explanation: _____

UTILITIES AND SERVICES:

ARE YOU (SELLER) AWARE OF...

- 25. Whether any of the following utilities or services are available ON the Property Yes No
 If yes, check which ones: wells sewer septic sanitation leach lines water gas
 electric telephone cable other
 If no, are you aware of the distance such utilities or services are from the Property? Yes No

Explanation: _____

LANDSCAPING, AGRICULTURE, STRUCTURES OR OTHER IMPROVEMENTS:

ARE YOU (SELLER) AWARE OF...

- 26. Diseases or infestations affecting trees, plants or vegetation on or near the Property Yes No
- 27. Diseases, infestation or other reason affecting the production of any agricultural trees or crops on the Property Yes No
- 28. Operational sprinklers or irrigation systems on the Property Yes No
 If yes, are they automatic or manually operated.
- 29. Any structures or improvements (such as: pad, foundations, or shelter) Yes No

Explanation: _____

NEIGHBORHOOD:

ARE YOU (SELLER) AWARE OF...

- 30. Neighborhood noise, nuisance or other problems from sources such as, but not limited to, the following: neighbors, livestock, wildlife, insects or pests, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, or wildlife Yes No

Explanation: _____

Buyer's Initials (JL) (ML)

_____SS_____(_____)

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VLQ REVISED 11/12 (PAGE 2 OF 4)

SELLER VACANT LAND QUESTIONNAIRE (VLQ PAGE 2 OF 4)

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Santa Fe 154

Property Address: 154 South Santa Fe (apn 445:62031), Hemet,

Date: August 20, 2015

COMMON INTEREST CONDOMINIUMS AND DEVELOPMENTS:

ARE YOU (SELLER) AWARE OF...

- 31. Any Homeowner or Property Owner Association (OA) governing the Property, or any pending or proposed dues increases, special assessments, rules changes, Insurance, availability issues or threatened or pending litigation by or against the OA affecting the Property Yes No

Explanation: _____

TITLE, OWNERSHIP AND LEGAL CLAIMS:

ARE YOU (SELLER) AWARE OF...

- 32. Any other person or entity on title other than Seller(s) signing this form Yes No
- 33. Leases, options or claims affecting or relating to title or use of the Property Yes No
- 34. Any other person or entity other than Seller(s) signing this form with a legal claim to oil, mineral, gas or water rights Yes No
- 35. Past, present, pending or threatened lawsuits, mediations, arbitrations, tax liens, abatement liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, OA or neighborhood Yes No

Explanation: _____

DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT:

ARE YOU (SELLER) AWARE OF...

- 36. Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to correct damage Yes No

Explanation: _____

OTHER:

ARE YOU (SELLER) AWARE OF...

- 37. Reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys or other documents, pertaining to the condition of the Property or easements, encroachments, boundary disputes or environmental conditions affecting the Property Yes No
(If yes, provide any such documents in your possession to Buyer)
- 38. Department of Real Estate Public Report, or subdivision map Yes No
- 39. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) Yes No
- 40. The release of an illegal controlled substance on or beneath the Property. Yes No
- 41. Whether the Property is located in or adjacent to an "industrial use" zone Yes No
(In general, a zone or district allowing manufacturing, commercial or airport uses.)
- 42. Whether the Property is affected by a nuisance created by an "industrial use" zone Yes No
- 43. Whether the Property is located within 1 mile of a former federal or state ordnance location Yes No
(In general, an area once used for military training purposes that may contain potentially explosive munitions.)
- 44. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision Yes No
- 45. Insurance claims affecting the Property within the past 5 years Yes No
- 46. Matters affecting title of the Property Yes No
- 47. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer Yes No

Explanation: _____

VI. (IF CHECKED) **ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

Buyer's Initials (Jh) (W)

(BJ) (_____)

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SELLER VACANT LAND QUESTIONNAIRE (VLQ PAGE 3 OF 4)

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Santa Fe 154

Property Address: 154 South Santa Fe (apn 445162031), Hemet,

Date: August 20, 2015

Seller represents that Seller has provided the answers and, if any, explanations and comments on this Form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (I) Seller's obligation to disclose information requested by this Form is independent from any duty of disclosure that a real estate licensee may have in this transaction, and (II) nothing that any such real estate licensee does or says to Seller relieves Seller from his/her own duty of disclosure.

Date 9/1/2015
SELLER
By [Signature]
Print name City of Hemet, Gary Thornhill
Title _____

Date _____
SELLER
By _____
Print name _____
Title _____

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Vacant Land Questionnaire form.

Date 9-29-15
BUYER
By [Signature]
Print name Jorge Larrondo
Title _____

Date 9/29/15
BUYER
By [Signature]
Print name _____
Title _____

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VLQ REVISED 11/12 (PAGE 4 OF 4)

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SELLER VACANT LAND QUESTIONNAIRE (VLQ PAGE 4 OF 4)



CALIFORNIA ASSOCIATION OF REALTORS®

STATEWIDE BUYER AND SELLER ADVISORY (This Form Does Not Replace Local Condition Disclosures. Additional Addenda May Be Attached to This Advisory. See Paragraph 52) (C.A.R. Form SBSA, Revised 11/13)

154 South Santa Fe (apn 445262031)

Property Address Hemet,

Date August 20, 2015

BUYER RIGHTS AND DUTIES:

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers. You should conduct thorough investigations of the Property both personally and with appropriate professionals. If professionals recommend further inspections, you should contact qualified experts to conduct such inspections. You should retain your own professional even if Seller or Broker has provided you with existing reports. You should read all written reports given to you and discuss those reports with the persons who prepared them. You have the right to request that the Seller make repairs or corrections or take other actions based on inspections or disclosures, but the Seller is not obligated to make any such repairs, corrections or other requested actions. If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the Agreement (the Purchase Agreement and any Counter Offer and Addenda together are the "Agreement"). If you cancel outside of these periods, you may be in breach of the Agreement and your deposit might be at risk. The terms of the purchase agreement and any counter offers and addenda establish your rights and responsibilities.

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.

SELLER RIGHTS AND DUTIES:

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property. You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement. This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures. The terms of the Agreement establish your rights and responsibilities.

BROKER RIGHTS AND DUTIES:

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it. For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals. Many defects and conditions may not be discoverable by a Broker's visual inspection. If Brokers give a referral to another professional, Brokers do not guarantee that person's performance. You may select any professional of your own choosing. Any written agreement between a Broker and either Buyer or Seller or both establishes the rights and responsibilities of those parties.

1. INSPECTIONS: Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not have expertise in these areas. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property or to rely on somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

Buyer's Initials (JL) (ML)

[Redacted Signature] ()

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SBSA REVISED 11/13 (PAGE 1 OF 12)

Reviewed by _____ Date _____

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 1 OF 12)



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

2. SQUARE FOOTAGE, LOT SIZE, BOUNDARIES AND SURVEYS: Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Unless otherwise specified by Broker in writing, Brokers have not verified any such boundary lines or any representations made by Seller or others. Brokers do not have expertise in this area. Standard title insurance does not insure the boundaries of the Property. If Buyer wants information about the exact square footage, lot size or location of Property corners or boundaries, Broker recommends that Buyer hire an appraiser or licensed surveyor to investigate these matters or to prepare a survey of the property during Buyer's inspection contingency period.

3. SOIL AND GEOLOGIC CONDITIONS: Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion erosion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may contain known or unknown mines, mills, caves or wells. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections.

4. GEOLOGIC HAZARDS: Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Brokers do not have expertise in this area. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s).

5. ENVIRONMENTAL HAZARDS: Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, pcb's, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home."

6. EPA'S LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE: The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at www.epa.gov/lead for more information. Buyer and Seller are advised to consult an appropriate professional.

Buyer's Initials (JK) (ML)

Reviewed by [Signature] Date



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

7. FORMALDEHYDE: Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's investigation period. Brokers do not have expertise in this area. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants."

8. MOLD: Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

9. WATER INTRUSION: Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.

10. SEPTIC SYSTEMS: Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system, it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level.

Buyer's Initials (JL) (ML)

Reviewed by [Signature] Date _____



Property Address: 154 South Santa Fe (apn 445282031), Hemet,

Date: August 20, 2015

11. WELL AND WATER SYSTEM(S): Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

12. WOOD DESTROYING PESTS: Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of infestation or infection of wood destroying pests and organisms may adversely affect the Property. 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. Brokers do not have expertise in this area. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's inspection contingency period.

13. EASEMENTS, ACCESS AND ENCROACHMENTS: Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised and Broker(s) recommend that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.

14. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES: Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Brokers do not have expertise in this area. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones.

15. FIRE HAZARDS: Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code Section 4136 and California Government Code Sections 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee of up to \$150.00 per structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Brokers do not have expertise in this area. Buyer is advised that there is a potential for fires even outside designated zones.

Buyer's Initials (JK) (ML)

[Redacted] ([Signature]) ()
Reviewed by _____ Date _____



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

16. FLOOD HAZARDS: Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code Section 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer is advised that there is a potential for flooding even outside designated zones.

17. ZONE MAPS MAY CHANGE: Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA.

18. BUILDING PERMITS, ZONING AND CODE COMPLIANCE: Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use of the Property, its development and size. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

19. VIEWS: Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.

20. FUTURE REPAIRS, REPLACEMENTS AND REMODELS: Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

21. GOLF COURSE DISCLOSURES: Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls - Any residence near a golf course may be affected by errant golf balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. (ii) Noise and lighting - The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. (iii) Pesticides and fertilizer use - A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. (iv) Irrigation system - Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. (v) Golf carts - Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. (vi) Access to golf course from residences - It is likely that most

Buyer's Initials (JA) (ME)

Seller's Initials (ST) ()

Reviewed by _____ Date _____



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

28. NEIGHBORHOOD, AREA, PERSONAL FACTORS, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS: Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, 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 medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer. California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at <http://cahighspeedrail.ca.gov>. The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions.

29. UNDERGROUND PIPELINES AND UTILITIES: Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's investigation contingency period. Brokers do not have expertise in this area.

30. MARIJUANA AND METHAMPHETAMINE LABS: Buyer and Seller are advised that California law permits individual patients to cultivate, possess and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute and possess marijuana for medicinal purposes. California's medical marijuana law is in direct conflict with federal law which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation and processing carry the risk of causing mold, fungus or moisture damage to a property, additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" (http://ag.ca.gov/cms_attachments/press/pdfs/11601_medicalmarijuanaguidelines.pdf) and the U.S. Department of Justice memo regarding marijuana prosecutions at <http://www.justice.gov/opa/documents/medical-marijuana.pdf>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the property and clean up requirements when authorities identify a property as being contaminated by methamphetamine. Buyer is advised that a property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.

31. INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE: Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or SSD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain

Buyer's Initials (Jha) (Mc)

Reviewed by [Signature] Date _____



Property Address: 154 South Santa Fe (apn 145262031), Hemet,

Date: August 20, 2015

Investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner Association Insurance. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer does any repairs to the property during the escrow period or Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the property. While all title insurance policies, as do all insurance policies, contain some exclusions, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender mistakenly has also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the property against other possible claimants. Brokers do not have expertise in this area.

32. CALIFORNIA FAIR PLAN: Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

33. HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS: Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions on Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.

34. 1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS: Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in Section 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. Brokers do not have expertise in this area.

35. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS: Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §1353.9. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. See paragraph 31 for further information regarding insurance. See C.A.R.'s Common Interest Development Basic Information Guide on Epubs in zipForm@6 for further information. Brokers do not have expertise in this area.

36. LEGAL ACTION: Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding these matters.

Buyer's Initials (DL) (ME)

Reviewed by [Signature] Date _____



10/19/2015 12:41 FAX 9516581312

HOMESTAR RE SERV

026/030

Property Address: 154 South Santa Fe (apn #45262031), Hemet,

Date: August 20, 2015

37. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES: Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing

Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

37. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES: Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations Section 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.

38. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION: Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following nonexclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces, Whirlpool Microwave Hood Combination; RE-ConBuilding products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trex Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at <http://www.cpsc.gov> during Buyer's inspection contingency period. Another source affiliated with the CPSC is [Saferproducts.gov](http://www.saferproducts.gov) which allows a Buyer to search by product type or product name. Buyers may also search using the various search engines on the Internet for the specified product or products in question. Brokers recommend that Buyers satisfy themselves regarding recalled or defective products. Brokers do not have expertise in this area and Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit.

39. RENTAL PROPERTY RESTRICTIONS: Buyer and Seller are advised that some cities and counties impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property and the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority during Buyer's inspection contingency period. Brokers do not have expertise in this area.

40. LAND LEASE: Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

41. HOME WARRANTY: Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.

42. INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA: Buyer and Seller are advised that Broker may employ a service to provide a "virtual tour" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. Neither the service provider nor Brokers have control over who will obtain access to such services or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the internet on individual or commercial web sites, blogs, Facebook pages, or other social media. Any such information may be accurate, speculative, truthful or lies. Broker will not investigate any such sites, blogs, social media or other internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Brokers have no control over how long the information concerning the Property will be available on the Internet or through social media. Brokers do not have expertise in this area.

43. ESCROW FUNDS: Buyer and Seller are advised that California Insurance Code Section 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.

Buyer's Initials (JS) (MS)

Reviewed by [Signature] Date [Blank]



SBSA REVISED 11/13 (PAGE 9 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 9 OF 12)

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Santa Fe 154

Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

44. NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL: Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or his or her agent, is required to provide the following "Notice of Your 'Supplemental' Property Tax Bill" to the Buyer:

"California property tax law requires the Assessor to revalue real property at the time the ownership of property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax responsibility payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your Tax Collector's Office."

Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment of property taxes. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. If Buyer wants further information concerning these matters, Broker(s) recommend that Buyer discuss the issue with the County Assessor or Tax Collector or their own tax or legal advisor. Brokers do not have expertise in this area.

45. NON CONFIDENTIALITY OF OFFERS: Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form CND). Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller.

46. FIRPTA/CALIFORNIA WITHHOLDING: Buyer and Seller are advised that: (i) Internal Revenue Code Section 1445 requires a Buyer to withhold and to remit to the Internal Revenue Service 10% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

47. LIQUIDATED DAMAGES: Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initialed by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement (see C.A.R. Form RID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.

Buyer's Initials (JL) (M)

Reviewed by [Signature] Date _____



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

48. MEDIATION: Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA-CA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails.

49. ARBITRATION: Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.

50. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specific 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.)

51. DEATH ON THE PROPERTY: California Civil Code Section 1710.2 protects a seller from: (i) failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and (ii) failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when. Section 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing.

52. LOCAL ADDENDA (IF CHECKED):

The following local disclosures or addenda are attached:

- A. _____
- B. _____
- C. _____
- D. _____

Buyer's Initials (JJ) (ML)

Reviewed by [Signature] Date _____



Property Address: 154 South Santa Fe (apn 445262031), Hemet,

Date: August 20, 2015

Buyer and Seller acknowledge and agree that Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property; (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) do not have any 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 Brokers; (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.

Buyer and Seller are encouraged to read this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of this Advisory.

BUYER [Signature] Jorge Larrondo Date 8-21-15
BUYER [Signature] Date 8/20/15

160 S. Santa Fe, Hemet, CA 92543
(Address)

[Signature] Gary Thornhill City of Hemet, Gary Thornhill [Signature] 9/1/2015
SELLER _____ Date _____

445 E. Florida Ave, Hemet, Ca, 92543
(Address)

Real Estate Broker (Selling Firm) HomeStar Real Estate Services Inc Cal BRE Lic. # 01526273
By [Signature] David G. Hale Cal BRE Lic.# 00551090 Date 8/20/15
Address 610 E. Florida Ave City Hemet State Ca Zip 92543
Telephone (951)314-7570 Fax (951)643-1663 Email david@indhale.com

Real Estate Broker (Listing Firm) HomeStar Real Estate Services Inc Cal BRE Lic. # 01526273
By [Signature] David G. Hale Cal BRE Lic.# 00551090 Date 8/20/15
Address 601 E. Florida Ave City Hemet State Ca Zip 92543
Telephone (951)314-7570 Fax (951)643-1663 Email devid@indhale.com

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Reviewed by _____ Date _____



JORGE LARRONDO DDS

160 S Santa Fe St.
Hemet, CA 92543
(951)925-6596

US BANK
1211 South Sanderson Avenue
Hemet, CA 92546
90-3582/1222

5556

8/26/2015

PAY TO THE ORDER OF Hemet Escrow

\$ **1,000.00**

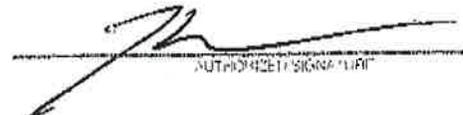
One Thousand and 00/100

DOLLARS

Hemet Escrow

MEMO

Deposit for 154 S Santa Fe, Hemet, Ca


AUTHORIZED SIGNATURE

⑈005556⑈ ⑆122235821⑆ 153498055521⑈



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Jessica A. Hurst, Deputy City Manager/Administrative Services
Gary Thornhill, Interim City Manager

DATE: October 27, 2015

RE: Quarterly Budget Update – As of September 30, 2015

RECOMMENDATION:

Receive and file.

BACKGROUND:

The attached fiscal year 2015-2016 quarterly budget activity reports reflect unaudited revenue and expenditure activity through September 30, 2015 for all funds. Total amounts include revenue collected and funds expended through the quarter ending date.

The General Fund has collected 14.32% of revenues budgeted through the end of the first quarter. This amount is typical as the majority of General Fund revenues collected through property taxes are received in the second half of the fiscal year and sales tax revenues are generally received two months in arrears.

General Fund expenditures are slightly lower than expected through the end of the first quarter at 21.49%. This is due to many factors including staff vacancies and careful monitoring of contracts and other costs within the departments.

The Water Fund has collected 18.28% of budgeted revenues through September 30, 2015, slightly less than anticipated. This is likely due to continued community conservation efforts and the new water rate structure effective date of October 1.

The Water Fund has expended only 11.69% of budgeted appropriations through the end of the first quarter, due in part to staff vacancies and lower than anticipated costs related to ground water management.

FISCAL IMPACT:

None.

Respectfully submitted,



Jessica A. Hurst

Deputy City Manager/Admin. Services

Attachments:

1. General Fund – Revenue and Expenditure Report
2. Non-General Fund – Revenue and Expense Report

**CITY OF HEMET
GENERAL FUND - REVENUE AND EXPENDITURE REPORT
AS OF SEPTEMBER 30, 2015**

<u>REVENUE SUMMARY</u>	Adjusted Budget	Year to Date Actual	% of Budget Rcvd / Used	% of Budget Remaining
GENERAL ADMIN	1,033,100	258,275	25.00%	75.00%
PROPERTY TAXES (includes VLF)	10,760,000	234,346	2.18%	97.82%
SALES TAXES	12,160,000	766,165	6.30%	93.70%
OTHER TAXES & FEES	6,380,400	1,360,165	21.32%	78.68%
LICENSES & PERMITS	67,500	12,231	18.12%	81.88%
FINES & FORFEITURES	143,200	13,598	9.50%	90.50%
USE OF MONEY & PROPERTY	267,500	18,804	7.03%	92.97%
INTERGOVERNMENTAL	655,700	6,882	1.05%	98.95%
CHARGES FOR SERVICES	474,900	114,913	24.20%	75.80%
OTHER FINANCING SOURCES	1,717,300	552,342	32.16%	67.84%
COMMUNITY DEVELOPMENT	2,044,700	511,466	25.01%	74.99%
TRANSFERS IN	210,000	0	0.00%	100.00%
TOTAL REVENUE	35,914,300	3,849,187	14.32%	85.68%
<u>EXPENDITURE SUMMARY</u>				
CITY COUNCIL	324,000	65,016	20.07%	79.93%
CITY MANAGER	902,000	135,431	15.01%	84.99%
CITY CLERK	282,800	55,782	19.72%	80.28%
FINANCE	1,165,853	283,245	24.30%	75.70%
CITY TREASURER	31,100	6,351	20.42%	79.58%
HUMAN RESOURCES	677,220	173,423	25.61%	74.39%
POLICE DEPARTMENT	19,129,615	4,537,817	23.72%	76.28%
FIRE DEPARTMENT	10,598,997	2,685,927	25.34%	74.66%
ANIMAL REGULATION	230,000	42,082	18.30%	81.70%
PARKS	1,003,548	218,556	21.78%	78.22%
LIBRARY / LITERACY / SIMPSON CENTER	1,493,000	351,663	23.55%	76.45%
PLANNING	1,147,014	254,008	22.15%	77.85%
HOUSING	96,000	2,880	3.00%	97.00%
BUILDING	1,201,097	255,491	21.27%	78.73%
CODE COMPLIANCE	852,650	188,118	22.06%	77.94%
ENGINEERING	1,095,258	276,689	25.26%	74.74%
ECONOMIC DEVELOPMENT	357,970	111,628	31.18%	68.82%
TRANSFERS OUT	510,000	122,670	24.05%	75.95%
TOTAL EXPENDITURES	41,098,121	9,766,777	21.49%	78.51%

**CITY OF HEMET
NON-GENERAL FUND - REVENUE AND EXPENSE REPORT
AS OF SEPTEMBER 30, 2015**

	REVENUE SUMMARY			EXPENDITURE SUMMARY		
	Adjusted Budget	Year to Date Actual	% of Budget Remaining	Adjusted Budget	Year to Date Actual	% of Budget Remaining
SPECIAL REVENUE FUNDS						
130 PUBLIC SAFETY TOWING	65,300	12,672	80.59%	66,362	30,909	53.42%
221 GAX TAX	1,746,500	149,922	91.42%	3,086,886	558,511	81.91%
222 MEASURE A	1,442,000	36	100.00%	3,594,520	266,975	92.57%
224 AQMD	256,000	0	100.00%	143,574	0	100.00%
231 ASSET FORFEITURE	0	0	0.00%	0	0	0.00%
234 PUBLIC SAFETY CFD	512,000	0	100.00%	404,600	136,818	66.18%
241 GENERAL PLAN	31,000	7,800	74.84%	40,000	0	100.00%
254 STORM DRAIN/SEWER	3,464,000	588,367	83.01%	3,677,219	507,190	86.21%
788 HEARTLAND BOND	850,000	0	100.00%	738,525	4,400	99.40%
TOTAL SPECIAL REVENUES	8,366,800	758,797		11,751,686	1,504,804	
DEVELOPMENT IMPACT FEE FUNDS:						
315 PUBLIC MEETINGS FACILITIES	2,000	0	100.00%	0	0	0.00%
316 GENERAL FACILITIES	114,000	20,280	82.21%	0	0	0.00%
326 FLOOD CONTROL	212,000	50,628	76.12%	1,268,309	38,371	96.97%
329 BRIDGES/STREETS	330,000	377,834	-14.50%	430,509	0	100.00%
331 LAW ENFORCEMENT	52,800	12,246	76.81%	4,188	0	100.00%
332 FIRE FACILITIES	100,000	14,560	85.44%	123,772	3,208	97.41%
361 PARK DEVELOPMENT	140,000	37,778	73.02%	150,000	0	100.00%
362 VALLEY WIDE DVL	27,000	7,358	72.75%	0	0	0.00%
363 LIBRARY FACILITIES	80,000	19,110	76.11%	150,063	29,642	80.25%
370 CAPITAL PROJECTS FUND	470,000	117,501	75.00%	487,443	8,324	98.29%
375 CITY EMERGENCY / DISASTER FUND	0	0	0.00%	0	0	0.00%
TOTAL IMPACT FEE FUNDS	1,527,800	657,295		2,614,283	79,545	
ENTERPRISE FUND:						
571 WATER	10,239,300	1,871,953	81.72%	14,696,876	1,715,439	88.33%
TOTAL ENTERPRISE FUND	10,239,300	1,871,953		14,696,876	1,715,439	
ASSESSMENT DISTRICT FUNDS:						
225 L&LMD	1,900,562	1,040	99.95%	2,025,936	311,918	84.60%
227 LIGHTING DIST POST 218	293,128	0	100.00%	276,732	40,363	85.41%
228 LANDSCAPE DIST POST 218	1,454,163	0	100.00%	1,543,144	244,105	84.18%
TOTAL ASSESSMENT DISTRICT	3,647,853	1,040		3,845,811	596,385	
INTERNAL SERVICE FUNDS:						
680 ADMINISTRATIVE SERVICES	2,229,300	553,911	75.15%	2,246,302	440,757	80.38%
684 VEHICLE MAINTENANCE	1,360,500	340,119	75.00%	1,372,378	343,537	74.97%
685 FACILITIES MAINTENANCE	1,559,900	390,007	75.00%	2,290,476	561,604	75.48%
686 PW ADMINISTRATION	1,035,900	329,548	68.19%	1,112,748	246,263	77.87%
681 WORKERS COMP	2,115,900	528,975	75.00%	2,115,900	1,853,792	12.39%
682 MEDICAL/DENTAL	350,000	68,953	80.30%	350,000	77,515	77.85%
683 LIABILITY FUND	915,900	239,155	73.89%	915,900	393,015	57.09%
380 EQUIPMENT REPLACEMENT	685,900	166,079	75.79%	1,880,000	771,670	58.95%
689 OPEB	4,159,700	1,043,636	74.91%	4,159,700	941,402	77.37%
690 UNEMPLOYMENT BENEFITS	0	0	0.00%	0	10,876	0.00%
691 CITY ATTORNEY ALLOCATION	1,200,000	299,997	75.00%	1,200,000	246,909	79.42%
TOTAL INTERNAL SERVICE	15,613,000	3,960,379		17,643,404	5,887,339	
GRANT FUNDS						
240 CDBG	737,698	198,335	73.11%	823,911	94,162	88.57%
245 CalHome	0	0	0.00%	35,985	48,427	-34.58%
246 HOME	1,500	0	100.00%	0	0	0.00%
232 PUBLIC SAFETY GRANTS	140,600	79,950	43.14%	136,600	57,950	57.58%
236 COPS /AB 3229	0	37,097	0.00%	6,970	3,658	47.52%
237 LLEBG	0	0	0.00%	0	0	0.00%
247 NSP GRANT	0	5,750	0.00%	0	2,807	0.00%
260 INDIAN GAMING GRANTS	0	0	0.00%	273,769	260,000	5.03%
TOTAL GRANT FUNDS	879,798	321,133		1,277,235	467,004	